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PACIFIC RAILWAY.

SPEECH DELIVERED IN THE HOUSE OF COMMONS

—BY—

Hon. EDWARD BLAKE, M.P.,

—ON—

THURSDAY and FRIDAY, 15th and 16th APRIL, 1880.

(From the Official Report of the Debates.)

MR. BLAKE: I shall endeavour to bring forward the amendment of which I have given notice, in the spirit which my hon. friend opposite indicated as correct in the opening portion of his remarks notwithstanding his failure to show that spirit in the course of his speech. I cannot agree with the hon. gentleman in the view that this question is to be degraded by its discussion as a party question. We hear a good deal of that sort of thing when one party takes a line of argument inconvenient to the other party. Those who adopt that position, in effect condemn the institution of party altogether. They seem to argue that legitimate party questions are such only as are inferior, or of small magnitude; and that great questions should be handled on some other and higher principles. If so, what is the justification for party at all? But they do not carry out their view to its legitimate result in any aspect; for a moment later the hon. gentleman himself said that there was a most important, a most vital question—the so-called National Policy—which he rejoiced was made the battle ground of party. I do not know any reason why we who claim to be as true Canadians as the hon. gentleman—we who have just as great a stake in Canada as he has, we who have our interests here, we who are just as proud and just as hope-

ful and trustful of the future of this country, if only prudence shall guide her destinies, as the hon. gentleman can be—why we, the Liberal party, should not be free to express our united opinion as to what the interests of our country demand; and it is because, in our opinion, it is desirable that a postponement of the Western Section of the Pacific Railway should take place, that I propose to place my amendment in your hands. The line of address adopted by my hon. friend obliges me to go a little more minutely into what I may call the antiquities of this question than I had intended. I must now advert to these antiquities a little more in detail than I would have done, not so much to discuss them in their party aspect, or to ascertain the extent to which each party has become committed, one way or another, not so much to ascertain who was right and who was wrong in the past, not so much with a view to recrimination as to determine what, on the whole, has been the settled policy of Parliament on the subject of increasing the burdens of the people on account of the Pacific Railway. It was on the 1st of April (a fitting day), in the year 1871, that hon. gentlemen opposite, then as now controlling public affairs, carried an address of this House, praying that British Columbia might be united with Canada, on a stipulation to be in-

cluded in the Terms of Union, that the Pacific Railway should be commenced within two years and finished in ten years. At that stipulation of the Terms of Union the Opposition, and other hon. members not in their ranks, expressed an honest, a genuine alarm. The Terms of Union were believed to be prodigal in all their aspects, and ruinous in particular, with reference to the Railway stipulation. The scheme met with earnest opposition on the part of many not belonging to the Liberal party. There were several divisions upon it, and in one of these it nearly met its fate, the majority which served it being only ten. My hon. friend from Dundas, a supporter of the Administration, moved that amendment which went to postpone the consideration of the question until the sense of the people could be taken upon it. The Government became alarmed lest they should not be able to carry the scheme, and they gave assurances that some resolutions would be brought forward, which might serve as a defence to their followers against the public indignation, which it was apprehended might be aroused by their assenting to the bargain. The Address then passed. This was on the 1st of April; and it was not until the 4th of April that there was a proposal made in the House for a definition of the liability for the construction of this Railway. The first proposal, made by Sir George Cartier in the absence of the then and now First Minister, and seconded by the present Finance Minister, was that the House would, on the following day, consider a resolution, "That the Railway should be constructed and worked as a private enterprise, and not by Government, and that the public aid to be given to the enterprise should consist of such liberal grants of land, and such subsidy in money or other aid not unduly pressing on the industry and resources of the Dominion, as the Parliament of Canada shall hereafter determine." This resolution was not satisfactory to the friends of the Government. It did not meet the exigencies of the case;—it was too elastic, too vague, it did not mean enough; and the consequence was that on the 11th of April, in substitution for that, a proposal was moved and seconded by the same hon. gentlemen in the same terms—with this

exception, for the words "not unduly pressing upon the resources of Canada," the words "not increasing the present rate of taxation" were substituted. This was more precise. The alteration was made in order to satisfy the supporters of the Government, and if possible the people. The hon. the Minister of Railways asserts now, but I deny, that the Terms of Union were in form and fact modified by that resolution. During the debate, an hon. member of this House (Sir Antoine Dorion) moved an Address to Her Majesty praying her to incorporate the resolution into the Terms of Union. That motion was supported by the Liberal party, but was defeated by the votes of hon. gentlemen opposite, who insisted that no such resolution should be carried; that it would prevent the proposed Union, and deprive us of the inestimable blessings to flow from annexing British Columbia to this Dominion; and that the opportunity of so annexing that Province might be lost forever. The opportunity thus fairly offered to make that a condition of the Terms of Union was rejected by hon. gentlemen opposite. Well, I have always urged, and still urge, that the surrounding circumstances cannot be wholly ignored. Having regard to the fact that delegates were here from British Columbia taking part in the discussion, having regard to the fact that the resolution was in a sense, though not officially, and as it is alleged without authority, recognised by them, I have always urged that British Columbia could not in equity and good conscience wholly ignore the resolution, but should remember that the Union was in fact obtained by means of the resolution; but I have been obliged to concede that she was not strictly and legally bound by the terms of that resolution, even if the work turned out to be such that its accomplishment would materially affect the interests of the Dominion, since the terms agreed to gave her, by the strict letter of the law, the right to insist that the work should be proceeded with, no matter what the consequences. She is entitled to say, "Here is my bond, I ask for my pound of flesh." There was then, subject to and not controlling the legal effect of the Terms of Union it is true, but still contemporaneous with them in 1871, a formal resolution

declaratory of the desires and intentions of Parliament, that the work should not involve an increase in the taxation. The first Pacific Railway Act was passed in 1872, under the auspices of hon. gentlemen opposite. This Act recites the resolution against an increase in taxation and the propriety of carrying it out; and provides a limited quantity of land and money as the means. We were even then told that the remaining land would meet the money grant, which would cost us nothing. This was the second Parliamentary declaration against increased taxation for this object. The Government, in 1872, chartered a Company which deposited a million of money as security for the construction of the road. Subsequently the Company, which was dependent on the raising of foreign capital for its success, found that it could not obtain that capital without modified conditions, and asked for better terms, which the Government refused. It then proposed to surrender the charter, and receive back the million hard cash, which it had deposited in order to secure the fulfilment of its contract, and so sure were the Administration that they could make a better bargain with others, or so kindly disposed were they towards that particular Company, that they accepted the surrender of the charter, and returned the money that had been deposited. They met the House shortly after, in the fall of 1873, and they had already found that some other and different arrangements would have to be made to accomplish the construction of the Pacific Railway. The Government of that day acknowledged that their scheme, their plan, their act, their charter, under which the Company which they had favoured had been incorporated, were failures and they declared that a new plan, requiring new legislation, would be submitted to the House for providing means to carry out that great enterprise. The Speech from the Throne delivered in 1873, contains these words:

"The Canadian Pacific Company, to whom a Royal Charter was granted, have, I regret to say, been unable to make the financial arrangements necessary for the construction of that great undertaking. They have, therefore, executed a surrender of their charter, which has been accepted by me. You will, I trust, feel yourselves called upon to take steps to secure the early commencement and

vigorous prosecution of that railway, and thus to carry out in good faith the arrangement made with the Province of British Columbia. A measure for that purpose will be submitted for your consideration."

What kind of measure? Circumstances to which, after the tone taken by the hon. gentleman, it would be ill-bred to allude, prevented the new proposition from being brought down. The reign of the gentlemen who promised that new scheme suddenly came to a termination. It is very well known, however, that the new idea was not in fact a new idea, that the idea of the First Minister, as he stated publicly in the county of Lennox in 1873, always had been the same, namely, that the work should be constructed as a Government work, and that it would, if he had been in Ottawa during the Session in which the arrangement had been made, have been so undertaken; but the pressure of the Opposition had been so great that his colleagues had yielded, and for their action he admitted he was responsible, though his own views remained the same, that the work should be constructed as a Government work. Then what was the new plan which has never seen the light? It must have been a measure for construction by the Government in accordance with the opinions of its chief. It was to be something different from the old plan. What other difference could there be? This proves that the cry of change of policy is not sincere. The new measure to be brought down must have been a change from construction by a company to construction by the Government. There is no other alternative. The Government resigned and the hon. member for Lambton assumed the position of First Minister. In his published address to the electors of Lambton, which stated the Ministerial policy on which the elections were held, my hon. friend declared that the bargain which had been made under the auspices of the late Government was one which could not be fulfilled. He stated that it would not do to commence the construction of the road until the country had been thoroughly surveyed, and that it would not do to prosecute the construction faster than the resources of the country would justify. He furthermore declared that application would be made to British Columbia for a

relaxation of the terms which hon. gentlemen opposite had imposed upon the country; and for such an arrangement as would give a reasonable time for the commencement and performance of the work without too great a strain on our resources. The present First Minister denounced this as a breach of faith with British Columbia, entitling her to secede. So different were his views from those now advanced by the hon. Minister of Railways. Shortly after the elections, and after I had left the Government, a gentleman, formerly a member of this House (Mr. Edgar), was sent to British Columbia with a view of negotiating with that Province for a relaxation of the terms: The propositions were rejected or not accepted by the Government of British Columbia, and were withdrawn sometime in the month of June. Meantime the Session had been held, and a new Pacific Railway Act had been introduced. This second Act recited expressly all the previous resolutions against the increase of taxation. It recited that the taxation had been, to some extent increased in order to meet the obligations of the Dominion, and declared that it was proper to provide for the construction of the road as rapidly as the work could be accomplished without further raising the rate of taxation; and, the former scheme having failed and it being impossible now to assume that the road could be constructed by means of a company, power was given by the Government to build sections as a Government work; but the avowed and stated policy of the Administration was to use that power only for the purpose of doing some parts of the work in advance of the completion of the surveys for the through line; and it has been repeatedly explained, by my hon. friend, the member for Lambton, that his intention was, as soon as the surveys were completed, to submit the whole of the road to tender, on a land and money basis, the contractors taking over, as cash on account, the works meantime executed by the Government. It was a scheme devised to make progress where, and so far as progress could be made consistently with the resolution against increased taxation. The Minister has complained that there was no reiteration of the declaration that the road should be built only by a company,

but there was contained in the Act a power to do the work by means of a company. At any rate it was unnecessary to reiterate that. My belief is that it would have been contrary to the policy which the present First Minister believed to be sound when he announced his views in Lennox, in 1873. I maintain that, by that Act, which repeated and re-enacted the old resolutions, and declared it was proper to proceed only consistently with the provision against increased taxation, there was a reiteration of the old Parliamentary policy, then reaffirmed for the third time, that the road was not to be constructed on any plan which would cause increased taxation. I well remember that the hon. member for Victoria, B.C. (Mr. DeCosmos) objected to the introduction of that provision into that Act, because he conceived it would be in derogation of the bond, the fulfilment of which he so much desired. In 1875, during the recess, British Columbia having appealed to England, Lord Carnarvon offered his good offices, and he suggested certain terms, to which, as far as they could, the Government agreed; the statement of the Government being that they would do their best to carry them out, as they were not contrary to the spirit of any Parliamentary resolution, or the letter of any enactment. The Government subsequently declared that this expression was designed to indicate that they were not intending to attempt to transcend the taxation resolution. It is contended that they could do so, and that they did in fact so bind the country by their action, although Parliament never confirmed it. I altogether deny that the executive Government has any general or implied authority of a nature so extensive; but were it otherwise, no such authority could be implied in the face of a distinct determination by Parliament in an adverse sense; nor can any case be imagined in which there could be a more decisive declaration by Parliament of its policy that there should be no increase of taxation for the building of this Railway; and consequently a more clear limitation upon any such supposed implied executive powers as are suggested. The Minister says that under the Carnarvon terms there was an agreement to build the Island Railway, by which \$4,000,000 were added to the cost

of the whole; but he seems to have forgotten that his own Government in 1873 had come to the determination that the terminus of the Railway should be at Esquimalt, and this determination, if adhered to, necessarily involved the construction of the Island Railway, and indeed of other far more extensive and costly works. I had taken occasion in the fall of 1874 to declare my individual views on the subject of the Pacific Railway. I then stated that I thought the fulfilment of the agreement with British Columbia impossible; that unless she chose to be reasonable and to agree to a relaxation of the terms, I saw no hope of performing them; and that, if she insisted on secession, as the consequence of the non-fulfilment of the terms of Union, I, for one, was prepared to say, "let her go," rather than ruin the country in the attempt to perform the impossible. I have never changed that opinion, and each succeeding year has strengthened my view as to the wisdom and soundness of such a decision. During the Session of 1875, when the Carnarvon correspondence was brought down, I did, as the hon. gentleman says, ask the leader of the then Government whether he proposed to invite the sanction of Parliament to the arrangement. He replied that he did not propose to invite the action of Parliament directly, but that he would rely on Parliament to enable him to carry it out. Well, that answer of itself indicated that the assent of Parliament was essential. Will anyone seriously contend that the Executive Government of this country could, not merely without the authority of Parliament, but in spite of the anti-taxation resolution, make an agreement which would of itself bind the country to build the Island Railway, to expend not less than \$2,000,000 a year on construction in the mainland, and to finish the road by 1890? It was, however, soon made apparent that the action of Parliament was necessary in order to carry out the Carnarvon terms. A Bill was of necessity brought in to authorise the construction of the Island Railway, one of the most important parts of those terms. I opposed that Bill because I believed that the Island Railway was not a judicious undertaking, and also, and chiefly because it was part of the Car-

narvon terms, which I did not believe were such as could be fully carried out consistently with the taxation resolution, to which I for one was determined to adhere. The Bill succeeded in this House, but it failed in the Senate, and the result was that the sanction of Parliament was refused to that essential part of the Carnarvon terms. At the close of that Session then the whole question was open. The arrangement had failed. Parliament had declined to authorise an essential part of the terms; fulfilment of the terms had thus become impossible, and it became necessary to reconsider the whole matter. I believe that everyone to-day concurs in this result; at any rate I do not observe that the Government now proposes to build the Island Railway. Shortly after the close of the Session I entered the Administration upon a distinct understanding in reference to the Pacific Railway. That understanding was that the Carnarvon terms having failed by reason of the action of Parliament, a moderate money compensation should be offered to the Province for past and future delays in the construction of the Pacific Railway; that it was always the understanding of the Government and that it should be distinctly stated, that any pledge for fixed expenditure, or for a time limit, was subject to the taxation resolution, in such sort that the work should not be necessarily proceeded with in case it would involve an increase of of taxation; and, that any arrangement made with the Province should be expressly, as it must in fact be, subject to the sanction of this Parliament. This understanding was carried out by the Minute of Council of September, 1875. By that minute, referring to the former negotiations, the Government declared as follows:—

"It must be distinctly borne in mind that, every step in the negotiations was necessarily predicated on and subject to the conditions of the resolution of 1871, passed contemporaneously with the adoption of the terms of Union with British Columbia, subsequently enacted in the Act of 1872, and re-enacted (after a large addition had been made to the rate of taxation) in the Act of 1874, that the public aid should consist of such subsidy in money, not increasing the then existing rate of taxation, as Parliament should determine. This determination not to involve the country in a hopeless burden of debt is sustained by public opinion everywhere throughout the Dominion, and must necessarily control the action of the Govern-

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ment, and it cannot be too clearly understood that any agreements as to yearly expenditure, and as to completion by a fixed time, must be subject to the condition, thrice recorded in the Journals of Parliament, that no further increase in the rate of taxation shall be required in order to their fulfilment. The sanction of Parliament to the construction of the proposed railway from Esquimalt to Nanaimo was necessarily a condition precedent to the commencement of the work. The other important features of the arrangement, namely, the limitation of the time for the completion of a certain portion, and the specification of a yearly expenditure, were deemed to be within the meaning of the Act of 1874, subject, of course, to the condition already mentioned, which was referred to in the minute of December, 1874, when the Government expressed 'a willingness to make these further concessions * * * as the concessions suggested might be made without involving the violation of the spirit of any Parliamentary resolution, or the letter of any enactment,"

The Government added a proposal of \$750,000 as compensation for delays. British Columbia rejected the proposal, and insisted on the fulfilment of the Carnarvon terms; she urged that the increase of taxation which had taken place in 1874, and the Railway Act of that year involved an abandonment of the resolution of 1871, by which she contended that she was never bound. On the 13th March, 1876, the Government rejoined by a minute in which they showed that the resolution of 1871 was not abandoned, but was re-enacted; in which they admitted that it was not part of the terms of Union in form, as they would have desired, but argued that it could not be wholly left out of account. The minute added that "the people of Canada would not consent to enter unconditionally into arrangements which though less onerous than the terms of Union would yet involve such a burden as might but for the condition plunge the country into ruin." The Government made no further proposal, but ended the negotiations by stating that, British Columbia having refused their offer of September, 1875, "it remains only to endeavour to construct the Railway as rapidly as the resources of the country would permit." These minutes were dispatched to the Secretary of State for the Colonies, and also to British Columbia. During the Session of 1876, a vote, hostile to the policy of the Government, and seeking to condemn it for delay in the work, was proposed by the hon. member for Victoria (Mr. DeCosmos).

It was voted down with practical unanimity, the hon. member obtaining but six or seven supporters. I think all the present Ministers voted against it; and the present First Minister both spoke and voted against it, declaring that the conduct of the hon. member for Victoria in insisting as he did on the fulfilment of the terms gave very good colour and reason for the charge contained in the minute of the Government that the action of British Columbia seemed more influenced by the desire to see many millions expended in their midst, than by the wish that the enterprise should be carried on consistently with the interests, and according to the resources of the country. Later during the Session the correspondence to which I have referred

was brought down, and the House became possessed through these minutes of the declaration of the policy of the Government, and of the whole statement of the case. The House was made aware of the decision of the executive not to make any further effort to obtain the authority of Parliament for the construction of the Island Railway, and of their solemn declaration that they had not intended in the former negotiations, did not then intend, and would not agree, to make any unconditional agreements, to make any agreements otherwise than subject to the taxation resolution. With this knowledge we came to the discussion of the vote in supply for the construction of the Pacific Railway, and to that vote it was proposed to add words declaring that the grant was made "with the view that the arrangements for the construction of the Railway shall be such as the resources of the country will permit without increasing the existing rates of taxation." That vote was moved after the occurrence of all the events to which the hon. the Minister of Railways has alluded as imposing such dreadful responsibilities upon him and his friends. He has not indeed spoken consistently upon this point, for after all these events, after the making of these terms by which he alleged we were more tightly bound than by those of the Union, he declared to-night in one part of his speech that, we were obliged by them to do what? to finish by 1890? No! he says he does not hold himself bound to do that. To spend \$2,000,000 a year? No! he says

he does not hold himself bound to do that. To build the Island Railway? No! he does not even propose to do that: so that while the hon. gentleman at one breath cries out: "I am bound!" "I am bound!" "I am bound!" like himself, he turns round the next moment and exclaims: "I am free!" "I am free!" "I am free!" But, Sir, after all these entangling negotiations, after all these chains and fetters had been wound round this unhappy country by the late unfortunate Administration, it had prior to the vote of 1876, fully declared its meaning; it had taken its stand, it had declared that it would not recede from or abandon the Parliamentary policy of the now increase of taxation. And the vote to which I have alluded, was, under these circumstances carried, not by a party majority, but by a united House. The vote was 149 to 10; among the majority were a large number of members and supporters of the present Government. I find in the majority four of the present Ministers, Messrs. Langevin, Masson, Bowell and Baby. I find there also, many active members of the party including you, Sir, Messrs. Cameron, of Victoria; Caron, Costigan, Desjardins, Haggart, Kirkpatrick, McCallum, Mousseau, Orton, Ouimet, Plumb, Robinson, Rochester, and White; besides many others; in all forty-two, out of the small contingent which, at that time represented the Tory party in this House. We were on that occasion nearly unanimous. In that year, 1876, long after the making and failure of the Carnarvon terms, and after the Government had fully declared its meaning and its policy, this House was almost unanimous in favour of the view that the country was entitled to say, and was bound to say, and we did in the name of the country say that the arrangements for the construction of the road should be such as the resources of the country would permit without increasing the existing rates of taxation. This is the fourth vote recorded by Parliament in the same sense. Now, I claim that I have proved that apart from the serious, the dreadful, I hope not the fatal error of 1871, in declining to engraft upon the terms of Union this limitation—an error for which the Liberal party is not responsible, because it did its best to avert it; that apart from that error the

continuous and unvarying policy of Parliament was before, and after, and notwithstanding the Carnarvon terms that this road should not be so constructed as to necessitate any increase of taxation. What happened after the Session of 1876? The surveys had been prosecuted; some contracts were let, some progress was made. The Session of 1877 arrived. Was there any proposal from the Opposition declaring that we should proceed faster with the work, anything to alter the view taken in 1876? Nothing! The Session of 1878 followed with the same result, nor did aught occur to shake the deliberate, solemn and repeatedly affirmed declaration of Parliament on this subject. But, meantime, further progress was made, and to some enquiries the Government answered that it hoped to be able shortly to advertise for tenders for the whole work on the land and money basis, subject to the approval of Parliament. It was the policy of the Government at the earliest moment at which the condition of the surveys would permit, to take that step, and so to give a fair trial to the plan, the only plan by which the road could be constructed in any short time without increasing the rate of taxation; and if that trial failed, it was obvious the whole question must be opened afresh for consideration, and that it would be the duty of the Government to consider of a new policy. Well, an advertisement was issued in May, 1878, I believe, for tenders for the whole line upon the land and money basis, and subsequently, I believe in August, for the construction of the middle part of the eastern link, I think in three sections, and also for the line from Yale to Kamloops. I had then long ceased to be a member of the Government, was not even in the country, and knew nothing about the matter until a few months ago. Of course, it follows that I am not able to say anything on the subject of my own knowledge. My hon. friend (Mr. Mackenzie) has already stated the circumstances under which that advertisement was issued, with a view, while yet the tenders were being asked for the construction of the whole line upon the land and money basis, to obtain all the information possible, on all alternative plans; so as to be able to present it to Parliament with such policy as the Government might ultimately deter-

mine upon. But it would have been a radical change in the policy of the Government as announced—as the people of this country, certainly as I understood it—had the Government, after the receipt of these tenders, proposed to Parliament the construction of the 125 miles in British Columbia as a Government work; and if they had proposed it, the hon. the Minister of Railways would have found me, as he complains I sometimes was, restive again. I would have declared it was impossible in my view to carry out any such policy consistently with the former resolutions, and I would have opposed it, with what effect I know not, but with what earnestness I could. I find then nothing proving an alteration of policy on the part of the Government or of Parliament on this question until the Session of 1879. Then, indeed, there was a change. The new Government having been formed in the meantime, the grand proposal of last Session was brought forward. The hon. gentleman (Sir Charles Tupper) says, he is going to give us another batch of resolutions, and he read us some of these high-flown resolutions he brought down last Session. They indicate the character of the work in the view of the hon. gentleman, the relations of this country as well as the relations of the Empire to the work, and the mode in which alone it can be successfully prosecuted. The first declares that an engagement was entered into with British Columbia, but it says nothing of any engagement with the Imperial Government or Lord Carnarvon, now so much talked about, to construct the road. Not, however, by any specified time; on the contrary; I find the Government by this resolution declaring the contract to be, that the line should be constructed with all practicable speed. Next, there is a declaration that the Canada Pacific Railway will be a great Imperial highway, and so forth. Then there is a declaration about the unprecedented state of enforced idleness of the British working classes, and the possibility of a scheme of relief on a large scale being found indispensable to alleviate the destitution. The hon. gentleman, not content with taking charge of the suffering thousands of Canadians, and relieving by his legislation all the misfortunes under which our poor 4,000,000 are labouring, in the largeness

of his heart, and the magnitude of his resources, took charge of the unemployed poor of England; and by his wit, and that of the Imperial Government together, this great scheme of outdoor relief—so far outdoors as the North-West—was to be carried out for the relief of the destitution of the suffering poor in Great Britain. Then the resolution introduced the construction of the Canadian Pacific Railway, which was to afford immediate employment to a vast number of workmen, open up vast tracts of fertile land for occupation, and thus form a ready outlet for the overpopulated districts of Great Britain and other European countries. And the Government is authorised and directed to procure the substantial assistance of the Imperial Government by guaranty or otherwise towards the execution of the project as a national work; and a hundred millions of acres of land are set apart for the purpose of supplying funds. Then there is a resolution to alter the route; an arrangement for building a short extension from Selkirk, and a proposition that it is expedient to make further explorations in the Peace and Pine River districts; then there is a declaration that in the opinion of the House the selection of the Burrard Inlet terminus was premature; upon which I shall say no more, than that if in the year 1878, with all the information that was then obtained, it was premature to decide that Burrard Inlet should be the terminus, how premature was it for hon. gentlemen opposite to decide that Esquimaux should be the terminus in 1873?—That is the problem, the arithmetical calculation, which I shall desire the hon. gentleman to answer. The hon. gentleman laughs at it. We know that whenever the hon. First Minister hears an awkward question he turns it off with a laugh, but it will be admitted that the hon. member for Lambton, and the House and the country knew more in 1878 about what should be the terminus than any one could know in 1873. Therefore, if it was not premature to select Esquimaux in 1873, it could not be premature to select another terminus in 1878. Then there is a resolution that it is necessary to keep good faith with British Columbia; and then there is a provision, the sting of which is in the tail. The 14th resolution declares that the Government be

authorised to make further explorations, and to enter into contracts for constructing a portion of the line in Columbia not exceeding 125 miles in length without the further sanction of Parliament. Here for the first time do we find the policy of building a railway in British Columbia as a Government work brought down by the Government for the consideration of Parliament and adopted by Parliament. Well, on what was it that this part of the Government policy was based? On what was it that the House was asked to hurry into an engagement to commence, as a Government work, 125 miles in British Columbia? Was it upon something old or upon something new? Was it upon something fresh? Yes. The hon. gentleman pointed out that there were hundreds of thousands of unemployed poor in England. He referred to their misery and destitution, he said it would be necessary for the English Government to provide some means for their relief. He pointed to what he was going to do in England. Both he and his colleagues declared that the scheme possessed certain elements of success. The first Minister declared it must and would succeed. He said that they would go home; that they would enlist the sympathies of the Imperial Government; that they would obtain the co-operation which they solicited, and which this House authorised them to obtain, the Imperial aid, by guarantee or otherwise, towards the construction of this line. They went home, and, like other people who have gone home, they came back again. But, Sir, although we heard a great deal of some matters they transacted, although the Finance Minister's loans, and the Minister of Railway's purchases of rails were told to us over and over again, until we got more tired than ever of discussing the rate of interest upon loans and the price of steel-rails—although, I say, these proofs of financial and commercial ability were discussed *ad nauseam*, not a word was heard upon the great mission—upon the principal point. What in the world is the difference whether we get one-half per cent. more or less on a loan of a few million dollars? What in the world is the difference whether we buy steel-rails at \$24.40 or \$25.40 compared with the other question? Very important things

both; but what in the world do we care about these questions compared with that of obtaining a sound and solid basis of Imperial aid for the construction of the Canadian Pacific Railway? We have heard a great deal of the mint and the anise and the cumin, but of the weightier matters of the law very little indeed. Now, why this silence? We have endeavoured to elicit information on the subject. I, myself, ventured to put a question or two, I endeavoured to draw out the hon. gentleman on the Address, and subsequently by a question, but still there was silence. We authorised the Government to proceed to England to accomplish a most important work, but not a word is told of the result. Something, indeed, was told. Oh, yes. We asked whether any arrangement had been made, any promise had been given, and we were told there had not. Some person asked the same question in the Imperial Parliament, and the answer was the same. But, to-night, we are told that these Ministers at home are diplomatic, that there was in effect a secret understanding, that they were deeply interested—O, so deeply interested—in this matter. The Minister is now able to state this fact, perhaps—may I venture to suggest—with greater confidence than he would have done before the late elections. He says, indeed, that the British Government did not want to be handicapped at those elections by any promise. But, Sir, if this scheme for relieving unemployed Britons by sending them out to our North-West was to be an advantage for the British people, why should it be unpopular? Why not proclaim it on every hustings? Why not make it a battle cry in the elections? But, the hon. gentleman says that would not do; the people were not to know. It was like a certain arrangement which was agreed to in this part of the world, with reference to this same Pacific Railway, which "should be kept quiet until after the elections." It is now, however, alleged that there was a bargain. Well, it seems to me that the hon. gentleman's plans in England, under these circumstances, failed. It was because the hon. gentleman found that it would be useless for him to communicate officially that he

has nothing to give us. It was because his informal and confidential communications resulted unfavourably, that as Sir Michael Hicks-Beach says, there was nothing put on paper, and the hon. gentlemen came back here with no more assurances than they had before they left Canada. This we know because the hon. gentleman has made a statement to us on the subject, he has told us what his expectations are. He has told us the resolutions he is going to bring down. There is to be a resolution modifying the plan for the sale of the lands. Instead of selling them at \$2 an acre all round, they have adopted another plan, and want to modify this resolution accordingly. But we hear nothing about further resolutions touching Imperial aid. Still, the hon. gentleman says he had many conferences with politicians and capitalists, and the Finance Minister made complete arrangements for all the funds that may be required for the completion of the Pacific Railway from sea to sea, so that, as fast as he wants it, he can get the money, provided we give him authority to raise the taxes required to pay principal and interest. He says also that the prospect of an Imperial guarantee from Mr. Forster, if he is to be the new Colonial Secretary, are quite as good as were the prospects of a guarantee by the Beaconsfield Government. That may be so, and I dare say it is so; but the reason given by the hon. gentleman was a speech which Mr. Forster had delivered at the Colonial Institute. My hon. friend's memory is of that character of which memories often are. He remembered what was agreeable, and forgot what was painful. He remembered well Mr. Forster's diplomatic suggestion, that "he was not sure that it might not be advisable for the Government to be very liberal in these matters," and he turns that into a promise. But as to the *quid pro quo*, Free-trade with Britain, which Mr. Forster suggests the hon. gentleman utterly forgot all about that. Mr. Forster says that the liberality must not be all on one side; that it is not fair to ask the Mother Country for assistance, and then to throw obstacles, by means of Protection, in the way of their disposing of their manufactures in the Colonies. Well, I will say, frankly, that if the

arrangement for aid from the Imperial Government should turn out to be one for a guarantee only, I am not at all certain it would be a blessing to this country that the guarantee should be obtained. It is true the guarantee would enable us to raise money at a lower rate than that at which we are raising it. It is true, also, that it might enable us to raise money which we could not raise at all without the guarantee. But it will not help us to pay the money we borrow; and I do not think it always a convenient thing to have facilities for borrowing money, unless we see also that there are commensurate facilities for repaying it. The explorations which the Government took authority to make, resulted in a report by the Chief Engineer, in which he suggested that they were so far favourable to the northerly route as to render it improper to commence at that time construction in British Columbia, and expedient to make further explorations. The Government, however, decided adversely to that view, and determined to finally adopt the route to Burrard Inlet. Now, even with all the haste that was used in reaching this decision, it had become impossible at that time to fulfil the arrangements, on the basis of which Parliament had been asked to authorise the letting of these contracts without its sanction. That basis was, that the work should be commenced in British Columbia, in 1879. But tenders were not called for till near the end of 1879. The first contracts were not let till December of that year, and the last was not let until the 10th February, 1880, two days before the meeting of this Parliament; so that, for several reasons, the grounds upon which the hon. gentleman had asked Parliament to give him special authority, had failed. They had failed in this, that the construction could not be commenced until after Parliament was in Session, and, therefore, there was no ground for the action; they had failed in this that no inconvenience or delay would be caused by waiting for the assent of Parliament. Another ground on which the authority given by Parliament ought not to have been exercised, is this: the House was led into the adoption of the series of resolutions in which this authority is

contained on the statement made by the Government as to the certainty of their success in obtaining Imperial aid. They wholly failed in that; the basis for the authority disappeared, and, therefore, the course they pursued in using the authority was in this as well as the other particulars censurable. Again, the report of the Chief Engineer justified, and in fact rendered proper further investigation before fixing on the route. This contract which they have let without the sanction of Parliament will reach, according to the estimate, \$9,100,000, and with the rolling stock, rails, etc., the line will cost certainly not less than \$10,000,000, according to the tenders. That is the estimate, I observe, from the hon. Minister's statement, which the Chief Engineer now makes with reference to the contract. The hon. Minister observed that he had adopted an entirely different practice from that of his predecessor with reference to the letting of contracts. He said the contracts on the eastern end had been let on imperfect surveys and inadequate information, which had resulted in great loss and in the disappointment of expectations which had been formed. He, however, undertook to pursue a different course, to secure complete investigation and absolute certainty, as far as certainty can be obtained in these matters, as a preliminary to the letting of his contracts, and I think the rule he laid down was an excellent one. I think the fullest information ought to be obtained in the interests of the country, with reference to the character of the work, and so forth, before the work is let. We know the reasons which induced such departure as was made from this custom in the earlier days of letting this work, when the hon. member for Cumberland, then in Opposition, cheered the then First Minister when he announced his intention of at once letting the contracts. If the principle which the hon. Minister so ostentatiously put forward as governing his action was specially applicable anywhere, that point was British Columbia. But how far the hon. gentleman's practice on this matter conformed with his pretensions is to be found in the memorandum to the schedules for the Columbia section, which were submitted for the information of intending tenderers. There will be found there a note in these words:

"Some of the quantities are estimated from preliminary location measurements, and may be considered roughly approximate. Other items are merely conjectural, and are placed herein for the purpose of obtaining rates."

This was the thorough, exhaustive, minute and detailed survey; this was the accurate information which the hon. gentleman got before he let the Yale-Kamloops contract! Some of the estimates are simply roughly approximate! Others are merely conjectural and are placed for the purpose of obtaining rates! As to the eastern contracts, if I am rightly informed, there was no information of any material consequence in the hon. gentleman's hands which was not in the hands of the hon. member for Lambton before he left office.

Mr. PLUMB: Section 15?

Mr. BLAKE: If my hon. friend will allow me to continue, he will soon have an opportunity to enliven the House with one of his short speeches. It may be permitted to a person who has not gone over the ground, who has not even made a preliminary location measurement, who has not even made a conjectural estimate of the items, to make a conjecture in the gross, based upon former experience, based upon former reports, based upon what is known of other sections of the Railway, and from what has happened as to other roads, based on the general experience of the world in reference to estimates of this description; and my conjecture is that this road is as likely as not, instead of costing \$10,000,000 to cost \$12,000,000 or more. The contracts, however, provide, as the hon. gentleman as said, that the Government may suspend operations if the vote is expended at any time, or in case the public interest requires, a suspension of the work, and may in such case cancel the contract; and that in no case will the contractor be entitled to damages by reason of loss of profits, but only to expenses incurred in connection with the collection of material and work already done. The Georgian Bay branch contract was lately cancelled by the Government under similar provisions. The hon. gentleman has stated that he expects the expenditure next year on this work will not exceed \$1,000,000, but, although possibly no more than \$1,000,000 may be expended the first year, yet it is certain, according to the estimate formed of ten millions, and if the work is to be carried

out according to the terms of the contract, which provides for its completion in five years, that an average of two millions a year will be required, and if we are going to expend only \$1,000,000 next year, this means that there will be a larger amount expended relatively in the following years. Roughly, we are involved by this contract in an average expenditure of \$2,000,000 a year for the next five years, and if the road costs \$12,000,000, then \$2,400,000 a year for the same time will be required. The hon. gentleman has said that the road, which is in the middle of British Columbia, will be a pretty good thing. It starts, it is true, at a point from which the ocean is accessible by light steamers; it runs a considerable distance into the interior, but, as far as I can observe, considering the condition of the country, its population, its capabilities for early settlement, this may be said of it, that it begins nowhere, ends nowhere, and will serve no earthly purpose. I quite agree that in the construction of the Pacific Railway as a through line, by the Burrard Inlet route, this might have been the best point to commence at, but I am speaking of it as it is. The hon. gentleman has prepared a map, which he laid on the Table in the course of his speech, as showing what recent explorations convince him is the state of the country, with reference to its capacity for settlement. Without turning at this time to that portion which affects the North-West, I would desire the particular attention of my hon. friend the member for Vancouver, to that portion of the map which represents the Province of British Columbia. The hon. member will observe that the parts which are marked brown are barren and unfit for anything. The parts left white embrace certain small tracts in which people may find a living. The hon. Minister, in the early part of the evening, insulted my hon. friend by calling his country inhospitable, and my hon. friend will see what a double insult is conveyed in his laying on the Table a map showing the bulk of the Province unfit for settlement.

MR. BUNSTER: I would like to ask my hon. friend if he did not have that map coloured on purpose.

MR. BLAKE: My hon. friend no doubt believes that I am the only person

who would have ventured to produce such a map. But it is not my map. It is the map of the hon. Minister of Railways, who has done the hon. member for Vancouver "brown." It is not to be supposed, however, that all this white ground is available for white men. There is a large portion of the land even there, which the hon. the Minister of Railways, in the early portion of the evening, rightly called inhospitable. For example, the northern part of the tract left white is useless, in consequence of climatic influences. Although there are some portions of land in it, which are rich enough to be cultivated, yet the climate prevents their being settled, but in the lower portion there is a little land capable of settlement, as the hon. gentleman has said. At the delta of the Fraser River, there are some 400,000 acres of land capable of settlement, though I believe some of it requires dyking in order to make it useful. East of the Fraser River there are 640,000 acres, or 1,000 square miles, at the outside, according to the statement in the official report, of land capable of settlement; and west of the Fraser River there are 192,000 acres, if so small a quantity is worth mentioning. There is of arable land 1,200,000 acres, not altogether, but in three divisions, and each of these is broken by hills, valleys and rivers, so that the country can only become a few small detached settlements at best. Let me read you an extract from the report of Mr. Marcus Smith, your Assistant-Chief-Engineer, made in 1879, and brought down the other day; he says:

"From the River Pembina westward across the Rocky Mountains, and by a chain of valleys to Fort Hope the distance is 605 miles, of this only 92 miles traverse a country fit for settlement, being the central plateau, or bunch-grass belt between the Rocky and Cascade Mountains.

"A breadth of seventy miles on each side of the line would include Lac La Hache and the settlements of the Lilloet District on the west, those of Lakes Okanagan and Shuswam on the east, and embrace an area of about 12,000 square miles, on which it is estimated there are about 200 farms taken up, and the white population is about 1,000. About one-tenth of the arable land is under cultivation, but the grazing land is nearly occupied and supports 20,000 to 25,000 head of cattle, a considerable number of horses and sheep.

"If the whole of the arable land of this area were put under cultivation the total produce would probably not exceed that of an

average county in Ontario. On the balance of the 605 miles the country would not support a white population of more than a few hundreds. The cost of constructing this division of the line would be heavy, probably not less than \$50,000,000."

MR. DECOSMOS: What is the exact size of an average county in Ontario?

MR. BLAKE: I do not know the exact size, but as the hon. gentleman interrupts me, I will read the hon. gentleman's own statement made in debate on the subject of this line. It gives some valuable information. The hon. gentleman says this—I read from the *Official debates* for 1877:

"The First Minister had referred to the valuable land on Fraser River. As a fact, however, there were not perhaps over 400 square miles, or 256,000 acres of valuable arable land along the whole river, from Yale to the mouth of the Fraser. In farms and population there, they did not exceed the farming population in his own district, and were far behind that which existed in the district of his hon. friend from Vancouver (Mr. Bunster); but what was there from Yale to the mouth of Burrard Inlet to support a railway? There was nothing in the district to support a railway, so far as at present known; and when they reached the Yale canyon there were sixty odd miles of canyon to get through, which was nothing but a vast ditch, cut by the water coursing through for ages; there was nothing there, unless mineral wealth was found in the mountains, which were walled up on each side. Next, they had to go forty miles beyond before they found anything but some high-grazing land, and away down in the bottom, along the Thompson, some patches of land that could only be cultivated by irrigation. After forty miles more, at the end of Kamloops Lake, they found a high, rolling, grazing country and a few farmers. The population of that country has not increased 50 per cent. within the last ten years. When they reached Kamloops they found a delightful point, from which open lands, but narrow, stretched along the north fork of the Thompson for twenty miles beyond; it was comparatively worthless and, unless mineral wealth were found from Tête Jaune Cache to that spot, it could not be considered as sufficient to invite the Government to construct a railway in that direction. If the Government was determined to bring a railway by Tête Jaune Cache and Kamloops to Burrard Inlet, he alleged, not only from a Dominion point of view, financially speaking, with respect to the cost and receipts of the railway, but in the interests of commerce, in the interests of the industry of their Province, that the line of railway could not be made a success by the best administration of the country. The sole and whole reason was that they could not make a way traffic. It was simply following a ditch or ditches through the country, and was not calculated to make a way traffic or aid in the gaining a large share of the trans-Pacific traffic."

MR. DECOSMOS: What I ask is, what is the size of an average-size county in Ontario?

MR. BLAKE: As I have said before I am not able to state the exact size of an average county in Ontario.

MR. BUNSTER: Who made that statement the hon. gentleman has just read?

MR. BLAKE: It was the hon. member for Victoria. Well, Sir, we are to have this road for 125 miles lying in this ditch that the hon. member speaks of, with no means of placing there a population sufficient to create a traffic. The hon. the Minister of Railways talks of placing there within four or five years, a population of 100,000. Why, it could not be done, and if it was done they would starve.

SIR CHARLES TUPPER: It was the *Globe* that said such a population could be put there.

MR. BLAKE: And does the hon. gentleman agree with that?

SIR CHARLES TUPPER: Yes.

MR. BLAKE: I tell the hon. gentleman that he could not do it. If such a population went there within the time he names they would stay there as bones, not as living men.

MR. MCINNIS: I would say here—

MR. BLAKE: To judge from the number of gentlemen who are continually interrupting, one would think there must be a great many men in British Columbia; the only one who at all observes the proprieties of debate is the senior member for Victoria (Sir John A. Macdonald). I have said, Sir, and in that I am happy to agree with my hon. friend from Victoria (Mr. DeCosmos), that I do not find that the resources of the country in question are likely to make the proposed work profitable. There is indeed some chance that the line will not be required to be kept open after it is built, and we shall thus save the running expenses. The running expenses depend upon the traffic. If the traffic is heavy, then, of course, we shall have adequate returns, but if it be light, we shall have heavy running expenses without returns, for there must be in that isolated region, machine shops; all arrangements for making, or at any rate for repairing locomotives and cars, a staff and so forth; if the road is to be run at all. The engineers, taking the Intercolonial

Railway as a guide, have estimated the running expenses of working the 125 miles at \$295,000. If there is hardly any traffic it will not cost so much. But we cannot hope to escape altogether from running expenses, which will, of course, include renewals and repairs, though I fancy the item of renewals to rails will not be a heavy one. Our annual payments therefore, in respect of that railway after construction, will be considerable. The interest on the cost of construction at \$10,000,000 will be an annual burden of \$500,000, or if the line costs \$12,000,000, \$600,000, to which may be added a loss in running expenses of perhaps \$150,000 a year, or more, making a total annual charge of from \$750,000 to \$850,000 a year. But that is not all, nor the chief part of the burden, because this line is proposed to be constructed, not as an isolated transaction—not as a complete thing in itself—not as the end of the expenditure in British Columbia, but only as the commencement. It is but a pledge; it is but a hostage for the many other millions to be expended there. We hear, indeed, nothing now of an Island Railway, except the suggestion of the Minister of Railways to-night, that a line eight miles long might be necessary to get beyond the reach of the guns of St. Juan. But apart from this we hear nothing, and I think the judgment of the country has so far condemned that project as to render its revival impossible. But for the mainland we are to deal with a proposal to build a long and very costly line. We have a new set of estimates brought down to-night. This is not the first or second set—it is at any rate the third set. Before I deal with them in the gross, I wish to refer to one fact which proves, plainly, that they are the second set brought down this Session. The other side had a sort of preliminary skirmish on this question on the motion of the hon. member for North Norfolk, on the land policy of the Government. The hon. First Minister then said it was inconvenient to discuss the Pacific Railway policy of the Government on that occasion; that this should be postponed, till the general debate now going on; but you will have noticed that he immediately proceeded to discuss and expound it. The hon. gentleman declared that the expenditure in connection with

the Pacific Railway, up the 30th June next, would be about \$15,000,000. We know that the expenditure up to December last, largely exceeded \$14,000,000, and I think the estimate of \$15,000,000, up to the 30th June, is perfectly fair. It will be in the memory of the House that he stated that from 30th June next, the expenditure would be \$10,000,000 a year for the next two years, and \$5,000,000 a year for the following eight years. This will make a total expenditure of \$60,000,000 to be made after the thirtieth of June next, or of \$75,000,000 adding the \$15,000,000 already spent. This statement was not made recklessly. It was made after due deliberation, of set purpose, as a deliberate declaration of the policy of the Government, on the highest authority; and the hon. Finance Minister on the following day confirmed it, declaring that it was based on Mr. Fleming's figures. To-day, the hon. Minister of Railways states that the whole expenditure, including the past \$15,000,000, will be under \$65,000,000. He has seen the First Minister, or those behind him, and goes ten millions better. There is a change of over \$10,000,000 between the deliberate estimate of last week and the final estimate of this week. I would like to know where this ten millions has gone. I would like to see the details of these varying estimates, because they are on the whole surprising to those who have been forming their opinions on the detailed statements made in published reports by responsible officials. There are 550 miles of a very difficult road to build, from Jasper House to Port Moody. For a part only of that road, for the 493 miles between the Divide and Port Moody, Mr. Fleming's estimate was about \$36,000,000. The estimate of Mr. Smith was \$36,500,000, and the estimate of Mr. Cambie was, I think, \$31,000,000. But the average estimate of the Chief and Assistant Engineer may be said to be over \$36,000,000 for this 493 miles, which would run up the 550 miles to \$40,000,000; and now it is said that the 550 miles, composed of this 493 miles and of 57 additional miles of inexpensive road, can be built for \$30,000,000, a difference of \$10,000,000. You add more than one-sixth to the mileage, and you subtract more than one-sixth from the cost. If so,

the part is greater than the whole. I may be permitted to doubt a little whether a large part of the \$10,000,000 which has disappeared in a week from the cost of the Pacific Railway, has not been arbitrarily cut off from the British Columbia section. I cannot but believe that a very large part of that amount has been economised by taking an extravagant sum from that section, and I shall remain of the opinion, until I see some detailed statement, giving reasons why this immense saving is practicable, that the last estimate of the Chief Engineer is not so trustworthy, or based on such sound calculation as the former estimate of himself and his assistants. The House must not forget too that Port Moody is not the terminus of the Railway. The Engineers say that the terminus must be at Coal Harbour, or English Bay. You do, indeed, reach the Pacific seaboard at Port Moody, but not a satisfactory terminal harbour. You must go further, and spend another million of dollars to accomplish the other fourteen miles of distance before you see the end of your labours. But even supposing it to be our unhappy fate to get no further than Port Moody, and supposing the hon. gentleman's revised estimates to be realized, I call the attention of the House to the fact that he calculates, himself, on spending \$30,000,000 for the western section, and \$13,000,000 only, or less than one-half the former sum for the whole of the prairie line. The fatal burden is still in the west. The hon. gentleman was right in dealing with the British Columbia, or western section, of this Railway as really beginning at a point east of the Rocky Mountains. But he did not go far enough east. In order to decide what is the true point of commencement of the western or British Columbia section of the road, you have to decide what is in truth the western end of the prairie road. That point is the commencement of the British Columbia section. I go further than the hon. gentleman. At a point seventy miles west of the longitude of Edmonton, you get to the end of the prairie. It is not necessary, in order to early settlement, that even as far as that point the country should be traversed by the Railway. Beyond that point, the Railway simply becomes necessary in view of British Columbia inter-

ests, and as a through line; unless, indeed, the outlet of the western prairie country is to be the Pacific and not the Atlantic ocean. I take, therefore, the longitude of Edmonton, which is also the point of divergence in case a northerly route should hereafter be adopted, as, for present purposes, the point of separation between the prairie and the British Columbia sections, and my hon. friend from Lambton, upon all the information which the official documents and the Engineer's reports give, added to his own knowledge, (assuming the continuance of the same gradients and curves, and the same style of construction and equipment, which were always intended up to the time he resigned,) estimates that the 256 miles from Edmonton to the summit would cost \$9,400,000, which added to Mr. Fleming's and Mr. Smith's estimates of over \$36,500,000, for the road from the Summit to the Pacific would give a total of over \$45,000,000, as the cost according to the old estimates and old style of construction of what may be described as the western section of the Railway. Of course when the hon. gentleman chooses to give us the information which will make it possible for us to judge what style of road he now proposes to build; when he tells us what the curvature and gradients are to be, and the general character of the works and style of the road, we shall be better able to judge of the correctness of his revised estimates, but he would not even tell us a little while ago, what the estimated cost of equipment was; he would merely say it was a light equipment, by which we can judge that this estimate is arrived at by cramping the road very much indeed. It would be very easy to tell, if only it were convenient to let us know, what the estimated cost of the equipment is. It is estimated upon the cost in dollars, of so many locomotives, so many freight and passenger cars at such a price. It is included for example in the estimate of \$13,000 a mile for the prairie road. But the hon. Minister of Railways would not tell us how much he could squeeze out for equipment in dollars from the \$13,000 a mile; and I am not surprised, because, I dare say, he would have to go into decimals to give it to us. When you recollect that an adequate

rolling-stock, according to the former estimates, costs \$2,000 a mile; that the steel rails, plates and fastenings cost many thousands more per mile, you will find how very little remains of the \$13,000 a mile to construct the Railway. Then I say that the British Columbia end, taking the route adopted from the longitude of Edmonton at the old rates, and on the old style, would cost \$45,000,000, on which the permanent interest charged would be \$2,250,000, besides a large sum for running expenses. Now, the question for the House to determine is whether we ought or can afford here and now to take the initial step, pledging us to an absolute expenditure of at least \$10,000,000 at once, and to an ultimate expenditure for the standard through line from Edmonton to the Pacific of \$45,000,000, making an annual interest charge of \$2,250,000, besides over \$1,300,000 a year for the gross running expenses, subject, of course, to deduction of the gross receipts. Considering only what the railway works are which we are called upon to execute in the North-West to the eastward of Edmonton, and not considering at all our other engagements—the general financial engagements of the country; the demand for various improvements, East, West, North and South, the Provincial demands for aid; not taking a comprehensive view of these various calls, but confining ourselves for the moment to the demand upon us in order to develop the North-West, in order thence to get the money on which the hon. Minister depends for the construction of the road in British Columbia, in order thus to render the construction in British Columbia possible. Is it—I will not say the part of prudence, but the part of sane men to commence now an expenditure of \$45,000,000 in that end of the Dominion? The hon. gentleman has told us what, according to his present estimate, we have to do. According to his view we have to spend \$15,000,000 to build the road from Selkirk to Jasper House, and nearly \$5,000,000 on the Eastern works, making nearly \$20,000,000 to be spent, besides the \$15,000,000 already expended; so that by the time we reach Jasper House, our total expenditure, exclusive of interest, will have been nearly \$35,000,000. But except by most seriously degrading the road, by altogether lowering the style

of construction, by changing it from a good through line to an inferior colonisation road, it will be necessary, according to the estimates of the hon. member for Lambton, if they be correct, to expend a very much larger sum than the hon. Minister calculates to reach this result. The Canada Central Railway subsidy reaches \$1,440,000, the surveys, including those location surveys, which, after all, come out of the pockets of the people, whether called exploratory surveys or location surveys, amount to \$4,000,000. The road from Fort William to Selkirk was estimated at \$18,000,000; the Pembina Branch cost \$1,500,000, and adding \$100,000 for the Red River Bridge, we reach a little over \$25,000,000. From Selkirk to Edmonton, according to the old grades and style of construction, the hon. member for Lambton estimates at \$17,650,000, which, added to the \$25,000,000, makes a total of over \$42,500,000 as the amount, including what has been spent for surveys, which it will have cost the country, irrespective of interest and construction, to reach the point which I suggest as the reasonable terminus for the prairie section of the road. Of this amount we have paid \$15,000,000, and must provide nearly \$28,000,000 more. I have no doubt the hon. gentleman can make a very large reduction in these figures by increasing the curvature, by raising the gradients, by degrading the road in every way from a first-class to cheap colonisation railway. I am not at present declaring that it may not be good policy for him to do so,—possibly it may be so; but I think the House cannot intelligently dispose of the hon. gentleman's suggestions on these points without having before it some more facts and figures than have been communicated. I do not think we can decide that \$13,000,000 will pay for the work according to the present plans of construction, till we know what the curves and gradients and other works are to be, and we may be called upon to consider whether we are not sacrificing to a large extent the future to the present in the matter; whether we are not causing a very much larger ultimate expenditure by the proposed present economy at the expense of the condition and quality of the road. If the hon. Minister of Rail-

ways can find a plan by which he can construct the road with inferior curves and grades and in an inferior style to that heretofore contemplated, but reasonably good however, and the conversion of which to superior curves and grades and a first-class style can be ultimately secured, when needed, without much added cost, I think it may be a prudent thing to reduce for the present the expense in this way. On the other hand, we must look to the ultimate conversion of the road into a first-class road, a cheap carrying road for the North-West, without which it will be useless for that long stretch of country towards Battleford and beyond; for the grain will have to come down along the Pacific Railway a great many miles before it reaches Selkirk or the Red River. The House must remember that according to the theory on which the hon. Minister advocates the completion of the road, he is bound to give reasonable grades and curves to the prairies of the West. The Western settlers will at best be in an inferior position to those nearer Selkirk; and if you add to their disadvantages a heavy tax on the transport of their grain by reason of an inferior road to Edmonton, it will not compensate them, to say the grain can be moved cheaply from Selkirk eastward. What they want is to get it cheaply moved along the whole distance. Again, of course, the through traffic depends on the road being first-class, and we must remember that after we have spent all the hon. Minister proposes, we shall have not a Pacific, but a Colonisation road. According to the old system of construction that central section would cost, including the other items I have mentioned, altogether over \$42,500,000, leaving out entirely both ends. What are the ends to cost? \$45,000,000 is as I have stated the cost from Edmonton to Burrard Inlet on the West; and from Fort William to Nipissing on the East, the hon. member for Lambton, estimates at a length of about 650 miles, and a cost of \$32,500,000. Thus the ends makes up together \$77,000,000, the centre and the past expenditure \$42,500,000, making a total of \$120,000,000, and that wholly exclusive of the legitimate and necessary charge, which must be added in all cases, the charge for interest during construction. In all enterprises of this description every esti-

mate with reference to expenditure includes a provision for interest on capital provided during construction, before the enterprise becomes productive, and this item is to be considered in the reckoning. The House may be surprised to learn that on our expenditure up to this time, and rating the interest at 4 per cent. only, as the money was raised partly on guarantee, that interest up to 30th June next will exceed \$1,250,000. Taking the estimates of ten days ago, if \$60,000,000 are expended in the next ten years, there will be a total of over \$24,500,000 for interest, calculating interest on future loans at 5 per cent., the lowest rate, as I believe, at which the money can be raised. Of course, according to the hon. Minister of Railways, we have saved ten millions during the last week, and therefore the interest of that ten millions is to be taken off; but even deducting it, unless my hon. friend would be kind enough during the progress of this debate to save us another ten millions, we should still find over \$22,500,000 of interest to be provided before the completion of the line, according to the reduced figures, before we are able to reap the benefits of that enormous through and way traffic, the profits of which are then to pour into the coffers of this country. We must not altogether forget the eastern connection. The hon. gentleman has not been altogether oblivious of that part of the through line. It was politic on his part to throw out some faint hopes of the construction of that link. Quebec has spent some \$11,000,000, which she can ill afford, for the construction of a railway principally designed to tap the Pacific trade. Quebec has stretched her arms out towards the great west, as far as this city, and the question is, how soon is she to get further, how soon that great expenditure is to be productive of the benefits expected? I am glad to know her road is paying something as it is; but what Quebec expected was not simply that it should pay, while it is new and cheaply worked, some fraction of the interest on the cost of construction, but that it would pour a great tide of traffic into her principal cities, and bring prosperity into her midst. But unless and until an eastern connection of some kind is made, those expectations of the Province of Quebec, on the faith of which she

proceeded to construct her railway, cannot be realised. My hon. friend felt that. I should not be surprised—I do not know anything about it—but I should not be surprised if my hon. friend had been told something of that sort in private. I should not be surprised if some hon. member from Quebec had forcibly expressed to him, in private, the same observations which I have now made in public. I should not be surprised if it had been indicated to him, in language as strong as was consistent with the politeness due to a powerful Minister, that it was essential that he should throw out, at any rate, some ray of hope, however faint, that at some early day the Quebec Railway should be connected with the through line; that he should say to the members from Quebec: "Gentlemen, at the present time we can only burn the candle in the middle, and at the western end, but the time will come sooner than you expect when we will be burning it in the middle and at both ends, when it will be alight in the east also." That is, in fact, what the hon. gentleman has vaguely suggested to us to-night. But my hon. friends from Quebec will consider how nearer they will be to the attainment of a connection with the Pacific Railway by engaging immediately to construct the western end, and to spend, according to the revised estimates, \$30,000,000 in British Columbia. They will consider how much it is going to hasten the day in which our surplus cash will enable us to make the connection for which they long, tossing \$30,000,000 into that "Brown Country," which is depicted in the hon. Minister's map. They will judge whether our purse is like the widow's cruise of oil, in which, however much you may draw from it, there will always remain enough. They will consider whether even out of our abundance, even out of our prosperity, even with our large capacity for raising loans and obtaining moneys, we will be all the better able to deal with the eastern end, because we are commencing now to build the western end. They will reflect upon the possibility, nay, I will say the strong probability, that the effort to build the western end, if so precipitately engaged in, may crush this country, destroy the whole scheme, and render impossible for

all time, or, at any rate, for a very long time, to attempt an eastern connection. According to his fashion, the hon. gentleman was not quite consistent in this matter. He was at pains to point out, in order to soothe the anxious fears of his friends and supporters, that the Government was in a position to go slowly. This contract, he says, contains clauses which give an absolute power to stop the work at any time; and if we find the resources of this country are going to be too heavily weighed down by building this 125 miles in British Columbia, depend upon it we will stop. We are not going fast; we are going slow. We expect, however, within ten years, having saved that ten millions I have spoken of, to do this much, at any rate; but we will not engage to do it within ten years. We do not consider ourselves bound to British Columbia to do it by 1890, and we will not do it within ten years if it presses too heavily on our resources. So much was necessary in order to soothe the fears of those who dreaded that the taxation would be too great and the expenditure too rapid. But then the hon. gentleman had to draw back, and in order to show that even all that expenditure would not indefinitely postpone the work at the eastern end, had to show "the silver trimming"—I think the hon. Finance Minister calls it—he had to show the "silver trimming" of the cloud and he said in effect: "So confident am I of the success of my scheme that I will not name the day in which the blushing East shall be married to the rosy West, but it will be very much sooner than any of you expect." One moment he said: "I will go slowly in the West, because the work may be too heavy for us—don't be afraid," and the next moment he exclaimed: "I can get on so fast in the West that I shall be able to begin in the East quite soon—don't be afraid." Such were the hon. Minister's consistent statements. Well, I say that these suggestions are intended, no doubt, to be satisfactory and consolatory, and, perhaps, they will prove so; but to my mind, looking at this from a practical point of view, I believe that the suggestions of the hon. gentleman are impracticable of execution, and that it may be found out of the question to commence the eastern end until we have got through the centre and the western end, if the work

is to be carried on according to his scheme and his views, which, I believe, as they stand, are beyond the resources of the country. Quebec may expect the eastern end to be commenced when the western road is finished—that is, that it will be begun in 1890, and may be finished in 1897, and I hope they will all be alive to enjoy it. Now, besides this enormous expense to which I have referred, besides this aggregate of I do not know how many millions of dollars, the interest of which, according to the old estimates, will be six millions a year, we have got to consider the running expenses. These expenses Mr. Fleming estimated, in former days, at \$8,000,000 a year; but my hon. friend from Lambton estimates them at a gross sum of \$6,750,000 a year for the whole line, or \$4,500,000 a year from Fort William to the Pacific. Of course, against this sum are to be set the receipts, which will be considerable, and will, in some sections of the road, perhaps, meet the expenses; but in the early days, and for a long time, the road as a whole will, I believe, be run at a loss. Thus you have a charge for interest and expenses for this Pacific Railway, which, if you add the cost of interest during construction, places it, according to any estimate you may form, wholly beyond the resources of this country to do the work in the way, and at the rate that the hon. gentleman has suggested. Now, what must we do? What are we bound to do? What are those things which it is essential for us to do? I agree that we must finish the road to Selkirk; and I am glad to hear the hon. gentleman is going to save a million on it. I would prefer, if he would make it a million and a-half, which would be perhaps as easy. We ought to finish the road to Selkirk as rapidly as possible, consistently with due economy. The contracts are let, and I suppose that road will proceed. I agree, also, that we ought to proceed with the road through the western prairies as rapidly as we find the settlement and the development of that country requires us to advance. I believe that just as fast as we see that the flow of settlement presses for it and will be promoted by it, we ought to get on with the prairie road; and, therefore, to the suggestion of the hon. gentleman, that he has contracted for one hundred

miles, and that he is about to contract for another hundred, I offer no dissent, but my hearty approbation. I believe that the true course is that which the hon. gentleman has adopted. That is, to proceed with the construction of these sections. He has told us in what time he expects to have them finished; but long before they are finished we may know at what time and at what rate it is necessary for us to proceed further in order to develop that country. We can be guided by circumstances, and construct the road, if necessary, even slightly in advance of the actual tide of settlement, but not so far in advance as to be expending our money before it can be of any use. To do that which I have suggested, to finish the road to Selkirk, to pay off the subsidy of the Canada Central, and to proceed with the construction through the prairie, will, in my opinion, drain the resources of this country, taxed and burdened as it is, to the utmost farthing. But to that we are committed. The die is cast. We must, whether our hopes be brighter or fainter, all agree to give a fair trial to the great experiment, on which we have risked so much, of endeavouring to settle, as rapidly as possible, that great North-West country, in the way and manner I have suggested. Burdened as this country is, that work will demand the most prudent management and the most careful economy, and will involve an elimination of every other expenditure which can be in the meanwhile avoided. According to the former figures of the hon. gentleman's Engineer, and to the view of the hon. member for Lambton, our interest charges will be about two millions a year when that road is completed as far as Edmonton. All that we can get from the lands in that country, for the next few years, during which we shall be engaged in the construction of the road, will not, I believe, do more than help to eke out that interest. I now proceed to state my views about the land question, but whatever we may decide about the land, I maintain that to attempt at this time more than is necessary, more than is essential, more than the cardinal thing upon which the success of the whole enterprise is to turn, is an act of folly and madness. I intend before I sit down to

discuss what is the true financial condition of this country, and what is its rate of taxation as compared with the rates of taxation existing in 1871; and to consider how far, apart from the sale of the lands, it is possible for us to undergo the strain which the proposed work will inflict upon us. But before I touch that subject, it becomes necessary to deal with the question of the lands, because the allegations made the other day with reference to the sales of lands, were that these sales would relieve us almost immediately from the interest liability, and practically from the liability for principal. I quite agree that if the calculations of the hon. First Minister and of the hon. Minister of Railways, as to receipts from lands, and expenditure on construction are founded upon a reasonable basis, they remove all serious difficulty and we may fairly and reasonably launch out into the construction of the Central and Western, and also into the construction of the Eastern end of the Pacific Railway. I perfectly agree that if these matured conjectures, in which every doubt was given to the side of prudence—which represent minima instead of maxima; if these close and accurate calculations are fairly to be counted upon as the results of the immigration and the Railway construction; if business men, acting in their own concerns, or acting for others for whom they are trustees, ought to accept these figures as a basis for encountering for themselves or for others for whom they act enormous liabilities, then the results of these calculations do justify as in assuming the liabilities proposed to us. Now, let us see what these calculations are. They assume that the emigration will commence at 25,000 and increase yearly by 5,000, making, in the course of eleven years, 550,000 emigrants. Of these 68,500 are to become homesteaders and preemptions, at an average rate of \$3 an acre for the pre-empted land; 34,200 are to become purchasers of and settlers upon railway lands, at an average rate of \$3 an acre for the railway lands, making 102,700 owners of 32,640,000 acres to be settled in that country in the course of eleven years. The Government calculates not merely on this number of emigrants, not merely on this number of purchasers,

not merely on these prices, not merely on this acreage, but with a sublime indifference to all the dictates of prudence, and to all the experience of all time, they calculate on the settlers on these lands, paying their large instalments up to the day. They calculate on the receipt of \$38,593,000 from land sales in eleven years, and, in addition, on a good debt of \$32,750,000 more, bearing interest, making over \$71,300,000 for lands, with a claim for interest on the debt at 6 per cent. They estimate the cost of survey and management for this vast undertaking at \$2,400,000. I allege that the result of these several calculations is absurdly extravagant. I hope for a very large emigration to the North-West this year, and perhaps next year. I do not intend to be bound to an estimate for ten years by the results of one or two years. I call the attention of the House and the country to the consideration of the fact that we are dealing with an estimate, not for one or two years, but an estimate for ten years; not an estimate of \$10,000,000, but an estimate of \$60,000,000; therefore, I do not intend to be bound by the figures for the early years, attended as these are with many exceptional circumstances. Of course the whole thing is conjectural; but we have a right to refer to the experience of the United States, to which, indeed, the hon. gentleman referred as the nearest analogous experience to ours, and as furnishing with all due allowances the only available guide. I will take the settlement of the Western States and Territories, which have formed the scene of the most rapid development which the world has hitherto known. I deeply regret that we are engaged in this discussion without the advantage of the United States Census very shortly to be taken, because I agree that circumstances in reference to the Railway development of later years have sensibly affected the tide of settlement, therefore these figures are to be taken with a measure of allowance; still we must consider, whatever may be now the relative advantages of our own North-West, that these states and territories were at the time the choicest in the world open, and that they gave very great facilities for settlement. I take the group of Western and North-Western States and

Territories, comprising Michigan, Indiana, Illinois, Wisconsin, Iowa, Minnesota, Kansas, Nebraska, Dakota, Montana, Wyoming and Colorado. The area of the group is 634,000,000 acres. They had a population, in 1850, of 2,740,000. - The yearly increase between that year and 1860 was at the rate of 282,000 a year, and the population, in 1860, reached 5,600,000, so that at first sight hardly any calculation of increase would seem extravagant; but let us ascertain of what this population was composed. In the year 1860 there were of persons born in the group 2,530,000, or 44 per cent. of the whole population; of persons born in other parts of the United States, 2,015,000 or 37 per cent. of the whole, making an aggregate native population of 4,545,000, or 81 per cent. of the whole. Of foreign born emigrants 1,050,000, or only 19 per cent. of the total population; so that the extremely rapid increase which took place in those years is due mainly to the natural increase in the territory itself, and to migration from the Eastern to the Western States, and not to foreign immigration into the country. The annual increase to 1870 was still greater than in the prior decade. It averaged 300,000 a year. In 1870 the population was 8,640,000, thus composed; born in the group, 4,390,000, or over 50 per cent.; born in other parts of the states, 2,500,000, or over 29 per cent., making $79\frac{1}{2}$ per cent. in all of natives; foreign born, 1,750,000, or $20\frac{1}{2}$ per cent. of the whole population. These figures show that there were three great sources of increase, to which I wish to allude for a moment, in order that we may see how far we can expect similar results. First, there was a very rapid natural increase in the western country, as always happens when there is abundance of fertile land, producing plenty of food—consequently once there is a substantial nucleus of population, the natural increase is a most important factor. Second, that there was a very great migration from the Eastern to the Western States—a home migration, not an immigration from abroad. Lastly, that there was a large foreign immigration; now these figures, though demonstrative of the considerations to which I have alluded, are yet subject to observation, because, during a part of the last

decade, native born Americans, from both East and West, were swelling the armies of the Union by hundreds of thousands; therefore, there was not in that rapidly growing country that relative increase of the population by natural causes and home migration, that would otherwise have occurred. The war had taken the men away from the soil; and at the same time there was a foreign immigration equal to, if not exceeding, what had previously occurred in the United States, so that while there was a very great foreign immigration during a portion of that decade, the domestic sources of supply were seriously diminished by the deadly struggle in which the life blood of the nation was being poured out like water. No doubt, however, the foreign immigration is in fact a larger factor than it appears to be in the settlement of the Western States. It was through the foreign immigration to the east that the east was able to send so many of its own sons to the west; therefore, the foreign immigration did play a very important indirect part, as well as its direct part in the settlement of that country. Now, in 1850, the population of the remainder of the States, exclusive of the group of states and territories to which I have referred, was no less than 20,000,000. In 1860, it was no less than 24,830,000. This shows that, notwithstanding the extent to which the population of the east migrated to the west, the population of the former was maintained and advanced, by virtue of the foreign immigration and natural increase. The total number of immigrants to the United States, in the decade from 1851 to 1860, was 2,600,000; from 1861 to 1870, 2,500,000, and from 1871 to 1880, making an estimate for the last eighteen months, 2,700,000. I repeat then, for we cannot dwell on it too much the three factors which produced this enormous increase of population in these splendid Western States. The first, a very rapid increase of their native population; the second, a large home migration from other States; and third and last, the foreign immigration, operating directly by the immediate advance into the west of immigrants, and indirectly by displacing a certain number of the native population who were so enabled to go west. It is said that the do-

mestic transference of population has been even more rapid, and has, therefore, played a still more important part in the present decade than in former decades. Let us compare our circumstances with theirs in these particulars: First of all, we have at present no nucleus of population in the North-West worth mentioning. It is towards the end of the decade for which we are calculating that this factor will begin to exert an appreciable influence. Next, look at that native recruiting ground, that constantly increasing population, first 20,000,000, running up to I know not how many millions from which I have shown the Western States draw their main supply. How do we stand as to that? We stand 4,000,000 against their 30,000,000 or 40,000,000. We stand with only a tenth of their population, with a relatively insignificant number, of whom we know it to be a fact, a deeply to be regretted fact, but a fact which exists, and which there is no use trying to conceal, that many go to the United States—that out of our 4,000,000, in the best times, hundreds of thousands leave us—I think the hon. member for Cardwell, (Mr. White), gave us at over half a million, the number of those who went over during the last decade, in which prosperity was the rule, in which there was no depression, in which every Canadian had a home and good work, but still in which something occurred to allure them to the settlements in the Western States, largely by direct removal there of those who preferred a more southern climate, but also to a very great extent by removal to the manufacturing towns in the Eastern States, thus freeing the citizens of those states and enabling them to go West. Now, from our 4,000,000 there cannot without most serious consequences to the older Provinces be a very large number of emigrants altogether; and of that number a considerable proportion will continue to go to the manufacturing communities of the States—there are persons who prefer the latter to the rural and remote settlements—and others will go still to the Western States in spite of the advantages we offer them in our own North-West. We may hope—I do, I am sure, as earnestly as any man can hope—that those residents of the older Provinces who decide to remove

will simply transfer their residences to some other part of this Dominion. I hope that the emigration from Canada to the United States may be seriously checked and replaced by migration to the North-West. I hope that many of those who are actuated by an adventurous spirit, or a desire for change, will seek the North-West. But my hopes will not change the facts, and, whatever we may hope and wish, it is only prudent, it is only wise, that before incurring vast obligations which, whatever the result of your speculations, you have got to meet, you should count the cost and carefully consider the risks, and weigh the probabilities. We cannot shut our eyes to the fact that a considerable number of our surplus population will still go to the manufacturing centres of the Eastern States; that some of our agricultural population will do what some have done before, and are doing now, prefer Dakota and some of the Western Territories. But suppose I am wrong—suppose that, moved by some sudden flush of patriotism changing the desires and inclinations on which they have acted hitherto, our whole migratory population should, without exception, resolve to remain within the borders of the Dominion, and to that end move to our North-West in preference to the manufacturing or the Western States; or, suppose the establishment of an actual wall, as high and as effectual as your Tariff wall, to keep all these within your bounds as you wish to keep out all foreign manufactures; suppose you build a wall like that of China, not indeed to keep out invaders, but to bar your own citizens from transgressing your limits, and to drive them into the North-West, what would it do? Certainly it would be better than their going to the United States, for to go there involves a positive loss to the whole Dominion of their resources. But it is no better for us, with reference to the early ability of the country, as a whole, to meet these burdens—it is no better for us that they should reside in the North-West than that they should remain in the older Provinces. In the most highly coloured view they will only be in one part instead of another part of the Dominion; they will only be paying taxes in the East instead of the West. But talking of it only during the next few years, I do not agree that

it is merely a transference of tax-paying power. I am convinced that the North-West settler, for several years, will not be a very heavy contributor to the net revenue of Canada. He is a new settler. He pays, the Minister says, an average of \$3 an acre for his land. At the end of the third year he pays four-tenths of the money and interest. He has to build his house; he has to build his barn, and to fence his land; he has to get his implements and his animals, and to maintain his family—in the homely parlance of our country, he has "hard scratching" before him for some years. It is true that the prairie has very great advantages in some respects. It enables you if you have capital and can lay out money, to fence in and sow very much earlier and to raise your crop very much sooner. But, on the other hand, the scarcity of timber, and so forth, renders the material required for the house and the barn and the fences dear, and, that is what, I have no doubt, the hon. member for Lambton (Mr. MacKenzie) meant, when he spoke of the initial difficulties of the settler, in the prairies of our North-West as compared with those of the wooded country. I expect to be called unpatriotic, because I tell a few plain truths, but those who are so loud in this kind of denunciation may go on. I believe that it is not patriotic to be dishonourable. I believe it is not honourable to present false views of one's country to emigrants or others. We should not overstate, but fairly state the true position and situation of the case. But whatever refined diplomacy, whatever reticence we might, under other circumstances, choose to exercise, it is impossible, in reference to the proposals of the Government, on which we are asked to commit the country so deeply, to do otherwise than give the reasons why those proposals are not based on sound grounds; and we must state circumstances which their high-toned patriotism might lead them to conceal, nay, perhaps even to deny. The free grant settler will not be, in early days, a very large consumer of dutiable goods. He will live as hard as he can, smuggle as much as he can, and smuggle a good deal, too, under the present Tariff; he will, in due time, under the influence of that Tariff develop home manufactures. For I suppose that the North-

West is not to be deprived of the beneficent influences of the National Policy—to find that they are to be our hewers of wood and drawers of water; I suppose they are not to be doomed to that wretched monotony of life, and to be deprived of that charming diversity of occupation which is a chief argument for the National Policy. Under the hot-bed influence of the Tariff of high prices; under the influences, whether beneficent or maleficent, of the National Policy, he will have his home manufactures. Since the hon. gentleman announces to us that the North-West is to supply us with a market for all time for our eastern manufactures, let us know how this fleece of Gideon is to be kept wet while all the rest is dry. It is quite true that in early years he will not have home manufactures, but these years will be the hard years for the settlers. They are the years in which it would be vastly important for his welfare to have, I will not say home-made goods, but cheap goods, to be allowed to purchase the necessaries of life at the cheapest rate, and in the market that gives the greatest satisfaction. But you encourage him in this way. You tell him we have established a Tariff wall, by which you must buy in old Canada, at our prices, what you require in the North-West. The large expenditure due to the increased price of goods will diminish the settler's narrow and limited purchasing power; and will in effect render him subject to a rate of taxation so high as to interfere with his comfort and advancement. The hon. gentleman talks of a large return to the coffers of the Dominion after paying the expenses of Local Government. To talk to the men who are to settle—to whom you are going to sell lands—to talk to them of the large taxes you expect them to pay is a new way to encourage them to go there. What cold water have we thrown, as it is alleged, upon the settlement of the North-West, that can be equal to that? I maintain that for the early years the taxpaying power of the persons who migrate from the east to the west will not be anything like what the hon. gentleman states, and that, in fact we can expect no net returns of any material amount from that country during the early years of its settlement. For the first year or so but little local or

municipal Government may be needed, and with the country in that disorganised state, you may, of course, take a small net revenue out of it; but after Local Governments are established the cost will more than equal the return. Nor must you forget that the country is now costing you far more than a million a year.

SIR SAMUEL L. TILLEY: British Columbia and Manitoba pay largely into the Dominion Treasury.

Mr. BLAKE: I propose to show, before I sit down, the net result in those very Provinces. The conclusion is that the resident of old Canada moving to the North-West does not at first increase, but rather diminishes the aggregate tax-paying power of the Dominion. But, besides that practical reduction in the tax-paying power, there is another reduction involved in the transfer of population. Nobody can deny that there has been a serious depreciation in the value of real estate in the Dominion.

Mr. BUNSTER: Except in British Columbia.

Mr. BLAKE: Well, if the hon. gentleman's exception be true, I can give no better proof of the monstrous character of the operations which are now proposed—operations for which the whole of the vast Dominion, with its overburdened exchequer, is to be taxed to benefit a Province with 12,000 white people, which is the only Province in which real estate is on the rise; and I venture to hope that the Province which is prospering so greatly will not insist on the less prosperous Provinces further depressing their resources by raising \$30,000,000 or \$40,000,000 for the benefit of their fortunate little sister, but that she will wait a little longer for her railway. I have said there is a serious depreciation in the value of real estate. That is true in regard to Ontario, whatever it may be in regard to British Columbia; it is true as to New Brunswick; and I believe, as to the other Provinces. A chief reason is that the demand is not so great as it was formerly. Formerly our farmers, young and old, the natural increase of our population, created a demand which led to enhanced prices—now large numbers of them are going West. The supply is greater relatively than the demand, and that is one and a very

potent reason why there is a depreciation in the value of our lands. Thus I attribute to the emigration this result that our property in the East is not so valuable, and not so likely to appreciate, and we ourselves will not be so well off if the people continue to migrate to the North-West; and that also shows that in the early years the migration to that country will not help us, but, in fact, will lower our tax-paying power for a time. When the settlers begin to thrive—when they pay off the \$71,000,000 which, it is alleged, they are to pay into the Exchequer, when the North-West becomes largely productive, affairs will probably change and the strength of the Dominion, as a whole, will be increased by the larger measure of prosperity enjoyed in the new settlement; but that result cannot be looked for in the immediate future, and it does not in the least alter the argument that in the near future our tax-paying power will be rather diminished than increased by the domestic migration. (Mr. Blake here by arrangement moved the adjournment of the debate.) On its resumption on Friday, Mr. Blake said: When the House was good enough to permit me last night to postpone my further remarks, I had pointed out with reference to the domestic migration of the United States that it was impossible to hope from our home resources anything approaching an equal supply for the North-West; that in fact their increase furnished no indication whatever of the rate of increase on which we could count from that source, save that it would be infinitely smaller, and could not be mentioned in the same breath; and I was about to advert to the relative condition of the two countries with reference to foreign emigration. I quite agree that recent events furnish us with a very happy prospect of a considerable immigration of British farmers here. I hail that as one of the most encouraging circumstances to be looked at in glancing at our future. I think that what has happened, and what is happening, cannot be without important benefit to us. There can be no doubt whatever that the conditions of British agriculture have greatly changed, owing to the increasing food supplies both in meat and grain from foreign parts. The cheapening of the supply has rendered it impossible for English farmers to continue

paying the large rents they have been accustomed to pay. There is consequently a struggle between the landlord and tenant at this time, and it is not to be expected that the landlords will submit without reluctance, or except upon the pressure of necessity, to a very large reduction, or to any reduction they may think unreasonable in their rents, and in the course of that severe, if not hostile struggle, it is to be expected that a great many British farmers will emigrate to this country. But, notwithstanding that circumstance, I hold that it is impossible to contrast the situation of the two countries—Canada and the United States—on the general question of foreign emigration, without concluding that our future is not to be measured by the estimate of theirs. What has happened in the west with reference to them cannot be expected reasonably to happen in our West with reference to us, so far as the result is to be obtained by foreign emigration. I have already stated that the foreign emigration to the United States for the decade ending 1860, was 2,600,000; for that ending 1870, 2,500,000; and for the present decade it is supposed it will amount to 2,700,000. These figures are enough to convince us that the rapidity with which western lands have been settled, so far as that rapidity is due to the direct or indirect effects of foreign emigration, it is not a rapidity which we can hope to reach in our North-West. Nor can I agree that the area of land in the United States available for settlement, although it is, no doubt, being rapidly diminished, is as yet at all reduced to such proportions as to force the current of emigration to our North-West. There are still large areas of land in that country which are available for settlement, and which, to those who happen to prefer the United States, will give them an opportunity of settling there for some years to come. The United States, in a sense, commands the market in this respect. The emigration to the states, as far as I can understand, has been composed in later years, to very large extent of the Teutonic races. The Germans have played a very large part in the settlement of the United States. They exist there in very great numbers and they exercise there a powerful in-

fluence. The same opinions which led the inhabitants of that and all the countries of Europe, enjoying but partially developed constitutional Government, when deciding to leave their native lands and seek foreign shores, to choose the United States as their goal, have derived further strength from the knowledge that there are settled in the great Republic millions of their brother Germans and the descendants of their brother Germans. It is therefore natural that we should expect, for several years to come at any rate, that the bulk of the Teutonic emigration will go, as it has gone hitherto, in the direction of the United States. The next important factor in the emigration to the United States has been from the people of the country from which I am descended; and we know that the circumstances of that country are such that, unfortunately for us, and for the British Empire, there has been a strong impulse on the part of a very large and important part of the population of Ireland to prefer the Republic. In this case the sins of the fathers have been visited on the children. The wrongs and injustice inflicted on the majority of the Irish population in former days—at least the no mory of those wrongs and that injustice, the recollection of transactions, which no man would—at this day vindicate or defend; has remained with those now on the soil, and obliterates, or at any rate obscures to their vision the more liberal conduct and the more just course which has animated British policy in this respect of later years. That circumstance has led to a large emigration from Ireland to the United States; and we know what the condition of Irish sentiment still is. But I hope for great things for Ireland and the Empire from the events of the last few days. I hope and trust that the advent to power of the Liberal party, supported by a great majority of decided Liberals and Radicals, will result in fresh measures for relief and justice to Ireland, which will tend still further to weaken her old feelings of hostility and disaffection, and to make the Empire in this regard a United Empire. I hope we shall see among other things a moderate measure of Home Rule for Ireland, and witness by the application of that measure the creation and maintenance of true and real bonds of

union between Ireland and the rest of the so-called United Kingdom. But things being as they are, and having regard also to the financial condition of the bulk of the Irish peasantry, no wise man can expect that within a short time, that within the next few years, there will be any serious change in the current of Irish immigration. So far as the Roman Catholic Irish are concerned we must expect that the tide of emigration will continue for some time to set towards the United States. I hope the proportion may be diminished. I should rejoice greatly to see the Irish people recognise the advantages we offer them, and establish themselves within our borders, but still, I believe that for sometime we cannot count on a decided change. The set of emigration has been sufficiently shown by the figures I have given, and naturally, with the imperfect information available to those coming from other parts of Europe, and apart from all consideration of soil and climate, the notion of the important position and situation they would occupy under a Republican form of Government—the idea that as citizens of the great Republic they would have a greater part and more active share in the Government of their country—has actuated a great number of emigrants from the European continent to choose the United States as the field where their energies and their talents could be most fully displayed and the advantages of citizenship most freely exercised. Among the obvious material advantages presented to the minds of such persons is this: that the National Debt of the United States has been reduced in fourteen years by \$603,000,000. It has been reduced by 30 per cent. of the amount at which it now stands, and that great reduction has been affected in the face of great difficulties and obstacles, and, notwithstanding a period of depression which they have experienced, and which seems likely now to be followed by a period of revived prosperity, perhaps of inflation. I say that the contrast in this respect, upon which I shall take occasion later further to enlarge, between the condition of the United States and that of the countries from which emigrants come, is a contrast calculated to allure them to the Republic. Though the statistics for the current decade of the

United States are not yet available, I am able to refer to some figures showing the later progress of two states, especially alluded to by the hon. member for Cardwell a few days ago, Kansas and Nebraska. We were correctly told that Kansas had increased from 360,000 in 1870, to 850,000 in 1879, thus showing an increase in nine years of 490,000. I have already pointed out the elements of which the increase of population in the Western States is composed, and the domestic and foreign recruiting grounds from which that country draws her increase. These considerations alone show that the results in Kansas do not prove that our North-West is going to have a population of 550,000 in ten years, as stated, for none of the conditions are parallel. But apart from the fact that Kansas had in 1870, 360,000 of a population to start with, from which came a large natural increase forming an important part of the 490,000, it is to be remembered that Kansas had moreover in 1870 over 1,500 miles of railway in operation and during the decade her railway facilities were increased to 2,300 miles. There is no doubt, I believe, that this state has shown the most remarkable development in the history of the world. In 1866 the State of Kansas was the twenty-fourth in rank in the United States as a corn-producer, and in 1878 she had run up to the fourth. In 1866 she was twenty-fourth in rank as a wheat-producer, and she had run up in 1878 to be almost the first in rank, producing in that year 32,000,000 bushels of wheat. With all these advantages, with all these proofs of an unexampled progress, with that large domestic and foreign recruiting ground, to which I have before alluded, we find her increase of population in nine years was but 490,000; and we are told that the North-West without the advantages which were possessed by Kansas, is to have an increase through emigration of 550,000 in eleven years. Now, Sir, I will refer to Nebraska. In that state also there has been, as the hon. member said, very rapid progress. In 1870 the population was 122,000. In 1879 it was 386,000. The increase in the nine years was 264,000. There was thus, of course a substantial nucleus, the natural increase from which would form no immaterial part of the total increase. There was also a great domestic and

foreign immigration. There were also great railway facilities throughout the period. In 1870, there were 705 miles of railway in operation, and in 1878 1,320 miles; yet with all those advantages there was only an increase of 244,000 in the nine years; and even that increase was due to the circumstances to which I have referred, which give the States a greater power of settlement than we can hope for. These are the figures for the two States which hon. gentlemen have chosen, and I believe rightly chosen, as presenting the strongest grounds for their expectations. I do not think they furnish good grounds for these expectations. I do not think that the only experience to which we can refer, having regard to the differences between the two countries, justifies us, however sanguine or fervent our hopes may be, justifies us as business men, dealing with a business transaction, and calculating the cash returns we may count on from the North-West lands in the next few years, in concluding that there will be an emigrant population of 550,000 in that country at the end of eleven years, and in incurring on the faith of that result enormous liabilities, which, if not met out of the lands, must be met otherwise. Such a thing may happen—I wish it would, but I do not think it is probable, because the experience of no other country, making allowances, proves that it can happen in our case. The statement, I think, is purely conjectural, is highly improbable, and cannot be sustained by any analogous occurrence. So much for the first postulate of the hon. gentlemen. I do not grant his postulate. I do not think that it is demonstrable in any way. I believe that all past experience points to its inaccuracy. But it is enough for me to say that it is not so far proved as to render it prudent to count on its accuracy. Next, as to the probable number of acres to be sold and preempted, the hon. gentleman said the Government expect to sell to the purchases of railway lands 10,820,000 acres, and an equal amount to preemptors, making a total of 21,640,000 acres to be sold. They expect to make free grants of 10,830,000 acres more, making altogether 32,640,000 to be disposed of. Now, the sales by the United States from 1860 to 1869 were 11,770,000

acres; but we are to double that quantity in our sales. The lands disposed of in the United States by free grant and under tree-planting conditions during eleven years from 1868 to 1879 amounted to 47,140,000 acres; but we are to sell in eleven years 21,760,000 acres, and dispose of 10,830,000 acres more free. Although I quite admit that there are other considerations to be regarded in this comparison; that a large quantity of lands was in the same time disposed of by railway companies in the United States, and that therefore in applying their figures we must make considerable allowances, still I think these figures furnish us with some ground on which to base our calculations. I have no accurate information as to the sales of railway companies' lands. I do not pretend to be able to inform the House on the subject, but it is well-known that the railway belts in the United States are as a rule infinitely narrower than ours, that the United States itself owns the alternate sections of these lands, and that the greater portion of the land called railway lands by us could not be so denominated according to the system of the United States. But we expect to sell twice as many acres as the United States sold in ten years. Well, may our hopes be realised! But can we afford to venture the future of our country upon the realisation of those hopes? That is the present question. There is, however, a still more important point to refer to in connection with this subject. I will give the number of acres taken up for farming purposes in the twelve great States and Territories to which I have referred, at three different periods, as compared with the population. In 1850 the population was 2,740,000. The number of acres taken up was but 35,000,000, or twelve and a half acres per head. The number of acres of improved land, was 12,900,000, under five acres per head of the population. In 1860 the population was 5,610,000. The land taken up was 67,450,000 acres or twelve acres per head, and the improved land six and one-third acres per head. In 1870 the population was 8,665,000. The land taken up was 95,190,000 or under ten and a-half acres per head. The improved land was under six and

a-half acres per head. You thus find that in those States which are pointed to as the example on which our progress is to be based, there were only during the most progressive period twelve and a-half acres of land per head taken up for farms, and five or six acres per head of improved lands. Compare this with the figures the hon. gentleman has given. Grant him the 550,000 emigrants he estimates, he still assumes that these will take up 32,640,000, or more than fifty-nine acres per head of the population. The hon. gentleman may say "that is my liberality, I am offering ever so much more land than United States has given, and it is natural that more land will be taken up per head." No doubt that accounts for part of it, though for how much, I will not pretend to state; but I hold and believe that it is impossible seriously to act on the assumption that nearly five times the acreage per head will be taken up in the North-West that was taken up in the most prosperous period of the development of the States I have mentioned. I think that the calculation of the hon. gentleman has been demonstrated to be utterly fallacious. It proves that either the hon. gentleman has over calculated the number of settlers on farm lands to the population, or that he has over calculated the quantity of land each settler will take. One or other of these propositions must account for the difference. You cannot seriously assume that fifty-nine and a-quarter acres per head will be taken up with us where the United States dispose of only twelve and a-half acres to each head. Can it be said that experience proves the probability of this calculation so satisfactorily that we should commit ourselves irretrievably on the chance of its realisation? These figures are suggestive also in another respect, that of revenue, to which I have referred. You find the proportion improved is very small in proportion to the amount taken up, in the earlier period not much more than one-third, or four and three-quarter acres per head. I quite agree that our lands being largely prairie, we may expect to improve or render productive more rapidly a larger acreage than the average improved acreage in the Western States, and due allowance is to be made for that circum-

stance; but, making the most liberal allowance, is it possible that from the extent of the improvements indicated by these figures, a large amount in payments on land, taxes and revenue, can be realised from the settler in the very early days? These figures, as to the acreage of improved lands, adding what amount in reason you please for differences of condition, show that the returns cannot, in the early years, be very large, inasmuch as what the settlers pay must consist of surplus profits after building houses, barns, and fences, getting their lands into cultivation, and maintaining their families. I affirm that the figures I have mentioned do not justify the calculations of the Government. But whatever you may think as to the calculations considered up to this point, I hold it to be clear that the estimates of the cash to be realised from land sales are still more extravagant. The Government expect to receive in cash \$38,600,000 in eleven years, which would, exclusive of interest, be less than half the cost, a balance of over \$32,000,000 being payable later. The United States realised in the eighty-three years up to 1879, from its public lands, \$204,500,000, the average being \$2,460,000 a year. In the twenty years preceding 1879 they realised \$30,350,000, or an average of \$1,500,000 a year, which for eleven years would make \$10,500,000. But this Government expects to realise \$38,500,000 in eleven years! Of course the lands sold by the Railway Companies in the United States are not included in this calculation. Making every reasonable allowance for this circumstance, and having regard to the conditions of the Canadian so-called railway belt, and assuming the average prices of the Government to be correct, the figures justify no such expectation. But the Government's calculations, made "by the highest authority," are wholly fallacious. The railway lands are divided into five belts, and the prices are, in each belt, \$5, \$4, \$3, \$2 and \$1 respectively, which, taken together, makes \$15, and divided by five, the number of the belts, does, indeed, produce an average of \$3 an acre, which is the estimate of the Government. But this, though a very simple, is not a scientific or accurate method of arriving at the true average price, because the various belts differ in width. In the first and

highest-priced belt the width is but five miles; in the second, fifteen; in the third and fourth, twenty, while the width of the \$1 belt is fifty miles. The true average—assuming as the Government does, the lands to be taken up according to their relative value and attractiveness, and that the lands will bear the enhanced prices put on them, according to their proximity to the railway, instead of being \$3 for these railway lands is, when you allow for the varying widths of the belts, but \$2.12½. This single error, of course, reduces the receipts from these lands nearly one-third, or by several millions. But the calculations as to the preemptions is still more amusing. The Government calculate according to the first Minister's statement that for the land preempted they will receive the same average of \$3 per acre, whilst the highest price payable for any preempted land is but \$2.50 an acre. This is the price for the first three belts. The fourth belt is \$2, and the big belt, which nearly equals in width all the others, \$1 only, and consequently, the average price for these lands is \$1.75, or not much over one-half the estimate made "on the highest authority," which, by the figures given, would seem to be calculated at \$2.50 an acre. I have thus pointed out how little this House can depend on the Government estimates. The general result of those two errors is, that instead of \$38,500,000 being receivable from these lands in eleven years, only \$23,350,000 will, on the basis assumed by the Government itself, be received, or a difference of \$15,240,000. And correcting the same errors as to the sums remaining due at the close of the term, the estimate of \$32,750,000, for these sums remaining due must be reduced to \$21,620,000, a difference of \$11,590,000, making a total error of calculation of \$26,830,000 in the estimate presented to the House by the hon. the First Minister, and endorsed by the hon. the Ministers of Finance and of Railways, as the groundwork for our action. Under these circumstances I am not surprised that the hon. gentleman should have felt it necessary to save the \$10,000,000 he economised last week. The extravagance of the estimate is shown in other ways. It seems that a purchaser will pay on railway lands \$1,219.70 for a lot, while the preemptors,

at the same rate for their half, 160 acres, will pay at the highest \$522.40, principal and interest. But apart from these errors of calculation, reducing so largely the fund upon which we were to depend for building the Columbia section of the Canada Pacific Railway, there are other considerations which wholly vitiate the estimates of the hon. gentleman. The average price to be realised largely depends upon the sale of lands in the nearer belts, and if anything occurs to disturb the sales in them, it is quite clear that even the smaller average I have stated cannot be realised. Then, not merely the average price, but the whole sales depend upon the character of the country. My hon. friend from Lambton will kindly relieve me from discussing in detail this important point, as having looked at all the reports on that subject, he will undertake the task of pointing out what, according to our official information, is the character of the country in the railway belt. It will be found that the map which the hon. gentleman brought down last night, and in which he depicted the barren spots as brown, is not at all "brown" enough with reference to the North-West. It does not by any means accurately represent the extent of the bad and inferior land in that country. The hon. gentleman stated that he estimated there were 150,000,000 acres of good land in the North-West; but he did not state that all that was arable or wheat land; and I understand from him in conversation that he does not mean any such thing. It will be found that the number of acres of wheat land are not to be measured by anything like those figures. In fact, Mr. Fleming, in a late paper, places the wheat land at 80,000,000 acres, and the pasture land at a like quantity. All estimates on this subject are at present conjectural; but, doubtless, there is a vast expanse of fertile land, though broken by intervening spaces of barren and inferior soils. There is there good land enough to support a very large population. It will be found, however, that circumstances will prevent much of the high-priced lands close to the railway belt being taken up. There is bad land close to the Railway, in many places, barren, swamp and inferior land. These and other considerations show that, both with reference to the smaller average,

which is obtainable only by assuming that the lands near the Railway are all good lands, and with reference to the general rate of prices, which is reached on an exaggerated view as to the quantity of first-class land, the expectation of the hon. gentleman is not likely to be realised. It is obvious that if there be bad lands close to the Railway the settlers will not pay \$5 an acre for them. There is no object in being near the Railway, if you can raise nothing which you can send away by it. You would rather be fifty miles away, on land capable of producing a crop, than close to the line on a desert or a swamp. Another circumstance which vitiates this estimate is, that settlers will not buy railway lands as long as free grants are obtainable. I speak in the large. Of course there will be instances in which a settler will buy railway lands; and the capitalist who wants more than 320 acres, will, doubtless, buy railway lands adjoining his free grant. But, speaking generally, you will find that settlers will not purchase railway lands so long as free grants are obtainable. There is a good reason why they should not. They get 160 acres free, and the remainder on more favourable terms than the purchaser of railway lands, and, therefore, there will be, in these earlier years, fewer settlers on railway lands than the hon. gentleman calculates. Another reason why there will be fewer purchases, by settlers, of railway lands, is that the hon. gentleman has placed a barrier in the way of such purchases by opening the railway lands to speculators. Speculators are following day by day, and hour by hour in the track of the surveyors, finding out the best sections of railway lands, particularly in the cheap outside belts, and their entries are in the land office before the report comes in; not with the view of settlement, but with the view of taking what people on the English stock market call "a long shot"—with the view of investing ten cents an acre in dollar lands, or twenty cents an acre in two dollar lands, in the expectation that after an interval of years the development of the country will enable them to exact enormously higher terms from the settlers coming in. The hon. gentleman may delude this House by a return, this year or the next, into the notion that he

is going to make a great deal of money by selling the railway lands, because he is selling to speculators a large quantity of cheap lands on which the purchasers are paying only ten or twenty cents an acre; but the real and solid returns to Government from railway lands will be what settlers will ultimately pay. Those from buyers on speculation will be but insignificant. What the settlers will pay is the measure of the true value of those lands to us; and you are deliberately marring the chances of developing that country, when you place in the hands of speculators, upon the payment of 10c. or 20c. an acre, the choicest part of the railway lands; leaving it to them to determine, at their good pleasure, how soon and what prices the intending emigrant may take them, and begin to make them valuable and productive to himself and the country. For the sake of making a false show of selling fast, you are throwing away the best chances of an effective and useful disposition of these lands. Then it is pretended that the pre-emptors will, at the end of three years, pay in bulk four-tenths of their pre-emption price with the interest. The hon. gentleman seriously suggests that 3,000 homesteaders, who go in 1880, will, in 1883, pay in \$696,000, or \$232 a piece, on account of their preemptions; that the next lot will pay \$928,000; the third, \$1,000,000, and so on, until 1890, when the sums to be paid in by the pre-emptors will be \$1,576,000. I quite agree with the hon. gentleman that the free-grant settlers will, as a rule, take up their preemptions. No doubt they will enter for them, and proceed to improve them, but there is equally little doubt that when the end of the third year comes round, the hon. gentleman's coffers will not be much fuller, by reason of the payments for preemptions then falling due. I do not mean to say he will not ultimately realise a considerable sum; but, I am talking of his calculation, that he will build this Railway in ten years practically out of receipts from these lands. I say that all the experience of all Governments with reference to sales of public lands is that the settler is slow to pay. Is the hon. gentleman going to tell these men, who have been straining every nerve to culti-

vate and improve these lands during their first three years, that unless they then pay up their preemption money, they shall forfeit their preemption? Is he going to use the landlord policy with reference to these settlers? Is he going to evict them? No; he has no intention of doing that. He will not even threaten them with eviction or forfeiture. I do not hear much talk of threatening even the speculators in case of default. Depend on it, there will be no such talk to the settlers. Judging from all past experience, the result will be, that settlers will feel secure—will feel that it is not necessary for them to pay promptly; and, indeed, to create a feeling of insecurity, by threats or harsh methods, would be most detrimental to the settlement of the country. Consequently, the calculations based upon the punctual receipts of revenue from these lands will be wholly falsified, even if all the other calculations should turn out true. The hon. gentleman expects to receive, in the fourth year, \$1,870,000; in the following year, \$2,622,000; in the next year, \$3,230,000; in the next year, \$4,112,090; in the next year, \$5,058,000; in the next year \$5,833,000; in the next year, \$6,877,000; while the last year of this series of rapid progression is to yield \$7,562,000, to be received in cash from the sales of North-West lands—an aggregate of \$38,593,000, apart from the sums not yet due of \$32,712,000. Now, I venture to say, if every one of the other calculations be realised, if the hon. gentleman gets into that country the amount of emigration he expects, and at the time he expects, if he makes sales to the numbers and at the prices he expects, these calculations as to the dates and amounts of his receipts will, under no circumstances, be realised. Under no circumstances will he receive these sums, or anything like them, at these times or anything like them. Let the fourth and subsequent years be the test. The receipts from settlers in all the earlier period will be relatively small; and not before these settlers, who can pay only out of their surplus profits after improving their lands and maintaining their families, achieve prosperity and become able to pay, will you find the lands becoming, as they ought to be, a source of revenue to the country. Even according to the cor-

rected calculations, the Government would be receiving in the fourth year \$1,231,000, running up to nearly \$5,000,000 in the last year, so that these corrected calculations are, in this respect, almost as preposterous as the original. Depend on it your returns will be long deferred. Then the hon. gentleman takes up the question of the expenses of management and surveys, which he estimates at \$2,400,000. Now, judging by the results in the United States, that also is quite too low. You will remember that there is an enormous acreage to be surveyed. If all the lands were fairly good lands, and the surveys could be kept only abreast of the settlement, you would require to survey 49,000,000 acres to effect the settlement the hon. gentleman expects, not that so much land is to be taken up by that number of persons; but to give room for the expected homesteaders to take up their free grants, so many townships as will comprise nearly 50,000,000 acres must be surveyed. But that is on the assumption that all the land to be surveyed is good land, and that all the land surveyed will be taken up. I say that is an assumption we cannot reasonably act upon, since there is bad and broken land, and since you must keep surveys ahead of settlement; and it is more correct, perhaps, to conjecture, as we are now in the region of conjecture, that 80,000,000 will be the amount of acres required to be surveyed, in order to effect the disposal of the smaller quantity, than to conjecture that 50,000,000 will be the number. Then, there is the cost of collecting all these millions of money from all these thousands of men. I think the charge too low. I do not know what the immigration policy of the Government is to be, whether they intend largely to increase the expense for that purpose or not, or to devote the available amount to the North-West; but it is obvious that, if these lands are to be rendered productive by immigration, the cost of inducing immigration should be considered a first charge upon the lands; and that this, in addition to the cost of surveys and management, should reasonably be deducted from the proceeds of the lands, before you can apply anything to railway purposes. Indeed, I may go further and say, that the cost of payments for Indians of over

\$550,000 a year, and for the Mounted Police Force about \$300,000 a year, in all \$850,000 a year, and other local charges, are prior charges on the proceeds of the lands. I maintain that the whole thing is visionary. Indeed, I may remind the House that when the hon. gentleman opened his remarks, he demanded a certain postulate to be granted to him; that he declared later that he would prove his figures to a demonstration; and then at the end he offered us to abate one-half. "If you will not," says he, "take the whole of my estimate, take one-half." A calculation commencing so pretentiously, and terminating in so humiliating a manner, was hardly, perhaps, worthy the serious attention I have been compelled to ask the House to give it. Now, with reference to the application of all this money. In the announcement of the First Minister, he took \$38,600,000 to be received in the eleven years, and deducted at the close of the period \$2,400,000 for management, the net cash coming in being thus, \$36,200,000. Set this against the \$60,000,000 he estimated to be spent on the Pacific Railway, and there is a small balance of \$24,000,000! Yet the hon. gentleman tells us the cost of the road is to be met out of the land sales, without encroaching on our taxes. But that is not the true state of the account. The hon. member for Gloucester at once pointed out that the hon. Minister had not allowed for the interest on the cost of construction, and that this would absorb a large part of the receipts. To that, no reply was then made; but the next day the hon. the Finance Minister acknowledged the justice of the criticism, and, in that free and off-hand manner in which he is accustomed to deal with millions of money, agreed that \$18,000,000 for interest on the \$60,000,000 should be deducted from the receipt. First, he would reduce the hon. First Minister's estimate by half, then take off \$18,000,000 from the remainder, and still, said he, enough remains to build the road. Even the \$18,000,000 the hon. the Finance Minister was willing to deduct, does not represent the true state of the case. As I said the other evening, we shall have spent, up to the 30th of June, \$15,000,000, in round numbers, on the Pacific Railway, the interest paid on which, at only 4 per cent., would amount

to \$1,272,000 up to that period. But, taking the figures of the hon. Minister given the other night, namely, a further expenditure of \$10,000,000 a year for the two first years, and \$5,000,000 a year for each of the eight following years, allowing interest on these at 5 per cent., and on the old balance at 4 per cent.; and taking the receipts from lands as the hon. Minister himself erroneously estimated them, then the result would be a yearly deficiency for interest so large as to run up in the third year to \$3,332,000, and in the sixth year to stand at \$698,000. The account gets to the credit side in the year 1887, and from that time the interest is paid, and something is available towards the principal; but the practical result would be a credit, according to that calculation, not compounding the interest in the earlier period or crediting the later yearly surpluses to capital until the close of the term, of \$12,631,000 only to the capital account of the Pacific Railway. But according to the corrected calculations, there would be a deficit of interest, swelling each year until in 1885 it reaches a sum of over five millions, thence gradually diminishing, until at the close of the term it stands at \$1,478,000, so that the practical result would be that, at the close of the term there would be nothing accomplished out of the proceeds of the lands, except to pay the bulk of the interest on the cost of construction, and the whole capital account, with a portion of interest, would remain due. Let me summarise these results—the statement of the hon. First Minister gave him a net return from lands of \$68,900,000, against an expenditure of \$60,000,000, leaving a credit balance of \$8,900,000. The corrected statement gives him a net return of \$44,470,000 only, and an expenditure for principal of \$60,000,000, and for interest, excluding arrears of interest, of \$23,560,000, in all \$83,560,000, leaving a debit balance of \$39,090,000—a trifling error in the grand result of about \$48,000,000. And, when you remember that even this calculation is, as I have proved, based upon wholly visionary estimates, I think it is established that, as business men, we cannot build largely on the taxes of this country being lightened in respect of the construction of this Railway within the next few years.

My conclusion is this, that although we may receive, and I hope we will receive, in the time to come, a considerable revenue from our lands in the North-West, yet we cannot, as prudent men, expect that we will early receive such a large amount, or anything approaching it, or anything approaching one-half the amount which the hon. Minister suggested; that we cannot expect that the immediate charge and strain upon the resources of the country, involved in the Ministerial programme, will be early relieved by the receipts from lands. We must look, therefore, to our other resources for the present bearing of that strain, and when these large receipts do come in they will come in only to recompense us for the long years of arrears of interest which will meantime have accrued, and will not do much towards the liquidation of the original cost. These fantastic calculations do not bear investigation. They are based on extravagant speculations in everything tending to increase the receipts, and on erroneous figures besides; they are based on untrustworthy estimates in everything tending to diminish the charge, and on erroneous figures besides; and, on the whole, I declare that no sane business man would incur large liabilities on the chance of meeting them out of such resources. Now, Sir, I for one, have no wish to prevent any expenditure which is essential for the settlement of the country. I wish the House to understand that that is, at any rate, no part of my policy. On that subject, as I have said, the die is cast. Most of us believe that we have a prospect there; and I want all to unite in the effort to realise that prospect. I think even those who do not believe it to be so bright as others do will agree in making the effort. I wish that we should direct our exertions to every step calculated to make the best of that country; to settle it at the earliest day; to give it as soon as possible a productive population, and to make it a prosperous and influential portion of the Dominion. It is because I want the great experiment to have a fair chance of success, because I believe that, committed as we are, it is our duty and our interest to give it that chance of success, that I implore the House to direct its undivided attention at present to this point; to apply the avail-

able resources, scanty as they are, of this country, exclusively to that backbone of the whole enterprise, without the success of which there can never be a Pacific Railway from sea to sea, without the success of which our whole plan and future may be scattered to the winds. Prudence in our expenditure is essential to the success of settlement. Do you suppose that those intelligent persons who are about to emigrate to this country will be attracted or repelled by the proposal to expend \$30,000,000 in the gorges of British Columbia? Do you suppose that the suggestion that we can afford to expend this large sum at present, because these settlers will repay it in taxes and land purchases, is calculated to encourage them to go into that country? Do you suppose that these people, scanning the policy and programme of the Administration upon this subject, and understanding that this vast expenditure is to be at once incurred because they will pay it all, may not say, "perhaps we had better not join, perhaps we had better not be partners in this gigantic undertaking if we alone are to meet the expense." Prudence in the limitation of our burdens, prudence as to the increase of the National Debt, prudence as to every enterprise the Government are undertaking at the same time that they are undertaking the settlement of this country, is an essential condition to the success of their effort at colonisation. Do not frighten away those who might join us, by your lavish and reckless engagements, based on their anticipated payments and their expected taxes. Our position is critical, and we should husband our resources for what that position may demand. The hon. Minister himself stated yesterday that Canada stood in a critical position. I agree with him, and standing in that position—more critical in my view, perhaps, than in the hon. gentleman's—it is doubly necessary that we should take care not to undertake just now more than is generally agreed to be essential to the success and the future of our country. Tide us over for the present, and if your expectations are realised, if you receive these large sums within the short period you have predicted, if within four or five years these sums are paid into the Treasury, then it will be soon enough to decide that there is a practical basis upon

which business men can act ; soon enough to agree that there is a foundation upon which we can proceed to build in British Columbia. Then we can honestly tell our constituents that there is money, obtained from the lands, out of which the Railway can be built, without further adding to their burdens. But, in the meantime, we cannot honestly say this ; we cannot show them that the resources of this country, without using means raised by the heavy burdens of taxation levied for the purpose, will suffice to build the Railway in British Columbia ; and I, for one, stand opposed to the expenditure of these heavy taxes in any such way. And now, having shown that we cannot depend on the sales, and must look to the taxes, at present, to meet the proposed expenditure, it is necessary to ascertain our present condition, as compared with our condition in 1871, and to examine into the state and resources of this country. Circumstances render it extremely difficult to form an accurate estimate of our position. Fortunately, we are called upon to form an estimate now, not for one or two years, but for a series of years. We have a policy, a plan for ten years, before us, and we are, therefore, called upon to measure the future of this country for a long term. The best course is to look back a little and see whether from the lessons of the past we can derive any light to be shed upon our future condition. It is difficult, as I have said, to deal, even in a series of years, with the question of the progress of this country. The vicissitudes of the seasons, upon which depend our main industry and source of wealth, the changes in the markets of the world, in the price of grain, and in the price of lumber, our principal articles of export, the changes in the world's trade, the succeeding depressions and inflations which result in alterations in the profits of our shipping business, and in the cost of the goods we import, all these circumstances render it an extremely difficult task for a Finance Minister from time to time to forecast the future of Canada, even for a short eighteen months ; and it is with unfeigned diffidence that I venture to offer some general observations with reference to the past, as throwing light on the present and future of our country. For three years after Confederation the amount of our

imports was almost stationary. The times were hard. That period was followed by several years of tremendous inflation. The hon. member for Cardwell referred to one circumstance, which, no doubt reduced to some extent the apparent amount of our imports, namely, our illicit trade with the United States. There was also the excessive value of commodities. These circumstances, no doubt, are to be considered as modifying the apparent inflation. But, apart from the question of illicit trade, these inflated values only show after all that we got less for our money. They do not prove that we paid less money. After this period of inflation, there have followed four years of ever widening and deepening depression ; and the first question I put is, how far our tax-paying powers have really increased since 1871, when it was resolved that we should not increase the existing rate of taxation in order to complete the Pacific Railway. Two factors have to be considered in order to solve this question—first, the increase of population—secondly the increase of resources. Increase of population does not necessarily mean increase of tax-paying power. We may have more heads, but each head may be poorer, and consequently there may be a smaller aggregate of surplus wealth, though divided among a larger number of heads. In this case there would be no increase of tax-paying power. I do not believe that the people of Canada are, on the whole, able to pay more taxes per head to-day than in 1871. There has been an enormous shrinkage in our lumber trade, from \$28,000,000 in one year to \$13,000,000 in another. There have been many bad crops. There has been a great shrinkage in bank stocks, and a number of these institutions has been swept away altogether. There has been a great depreciation in real estate, not so much as compared with 1871, but sufficient to be destructive of any increase between 1871 and 1879. There has been a general and long prevailing and deep state of depression in trade and commerce, resulting in the loss of an enormous amount of capital. Besides this, there has been a large increase in federal, provincial, municipal, corporate, and private indebtedness. Anyone who listened to the debate, the other day, could not

but be appalled by the statements as to the amount loaned on mortgages in the Province of Ontario. Added to all this, there has been an upward turn in the price of gold, which is unfavourable to all borrowing and indebted communities. Against these unfavourable circumstances are to be set expenditures, which have taken the form of assets. We have made large federal, provincial, corporate and private improvements. But these are represented in part by premature or misdirected applications of capital. No one will pretend that the Intercolonial Railway, located as it is, is a good commercial speculation; and several Railways in Ontario and elsewhere have been constructed at a time and on routes which prevent their value from equalling their cost. Many of these public works will in future be very valuable, but at present they do not form an addition to our resources commensurate with the burdens they involve. The tax-paying powers of the people of Canada, man for man, are, I repeat, no greater than in 1871. One proof of that is, we are actually buying less. For four years the imports have been diminishing. Last year they reached the lowest point for nine years. It may be truly said that we bought less in nominal value, because goods were cheaper, and we got more for our money; but that observation does not hold good to the full extent to which it is sometimes advanced, for values in 1871 had not reached their maximum, and were not so far above those for 1879 as to account, to any adequate extent, for this difference in the amount of our importations. The truth is that we are not buying largely, because we are too poor to buy largely—we cannot afford it. And this, as I said, is a corroborative proof that we are not better able, man for man, to pay taxes than in 1871. Nor will an inflation next year, or the year after, if there should be one, alter the facts. We do not proceed by regular steps, we go up and down; and on this occasion it is our rate of progress for a series of years, not for a year or two, that we are called on to consider. Speaking generally, in view of the history of the last decade, and in view of our resources and our true elements of prosperity, old Canada cannot expect a genuine rapid increase of her resources. I hope

for progress; though it will be hindered by our Tariff laws. The hon. gentlemen opposite hope for progress on account of our Tariff laws. Both are agreed in hoping for progress. That there will be progress I have no doubt, but I think it will not be such as to interfere with the correctness of the calculations I am making. I call on those who indulge in more sanguine hopes to give a reason for the faith that is in them. I believe hard work, rigid economy, prudent management, and gradual progress and accumulation is the fate of this country, as a whole, and of its population individually. I regard it as no unhappy fate, I regard it as possessing great and compensating advantages. From the character of our climate, and the nature of our resources, and other circumstances, from the necessities of our situation, we are taught to practice virtues whose possession is a full compensation for the absence of those somewhat easier conditions of life, those more lightly earned gains, those brighter material prospects which may, perhaps, be observed in some other lands. Sturdy independence, manly labour, vigorous exertion, prudent self-restraint, wise economy and temperance, these are great and satisfying compensations; but, Sir, we must show our appreciation of these virtues by an earnest effort to practice them, not merely in private life, but as the distinguishing characteristics of our national existence. If we do not, we fail; and when you find in this country apparent progress by leaps and bounds, you may conclude that that progress is more more fictitious than real, and will be followed by disaster which will sweep away our fictitious gains, and leave us poorer than before. Now, Sir, assuming that our tax-paying power is no greater, man for man, than in 1871, we have only to ascertain the increase of population since that time. The hon. Minister of Finance roughly estimated our population the other day at 4,000,000, that is, including the new Provinces. For obvious reasons I take, for the old Provinces, the rate of increase demonstrated by the last Census, although I think that too large an estimate; and I make out our population at 4,050,000, including the new Provinces, which, for this purpose, may be reckoned at something under 200,000. Now, of the new Provinces, it

may be repeated that whatever their tax-paying powers, their tax-consuming powers are still more remarkable. I have an interesting table of the results as to the collection and distribution of our Revenue for the first ten years after Confederation, which will answer the prudent query of the hon. Finance Minister yesterday, in reference to the tax-paying power of Manitoba and British Columbia, when he asked why we should not count on a large net revenue from the North-West, having regard to the example furnished by those Provinces. Now, Sir, assigning to each Province the revenue derived from it, as shown by the Public Accounts, and charging each Province with its local services, and with such parts of the Federal services as are by the Public Accounts distinguished and assigned to the separate Provinces, the results are as follows: We collected in all \$198,000,000; we spent in all \$189,350,000; leaving a surplus of \$8,650,000. The receipts from Manitoba were \$876,000, the distinguished expenditure, \$1,599,000; the deficit on this head, \$722,000. For Prince Edward Island the receipts were \$1,596,000; the expenditure, \$2,624,000; the deficit, \$1,027,000. For British Columbia the receipts were \$2,558,000; the expenditure, \$3,441,000; the deficit, \$883,000. For Nova Scotia the receipts were \$19,112,000; the expenditure \$21,175,000; the deficit \$2,060,000. Then there come the receipts and expenditure on joint account for services not divided among the Provinces, for example, Legislation, Civil Government, a large part of the interest on the Public Debt, and other undivided items, and all the expenditures in connection with the North-West and the Pacific Railway. For these the receipts were \$7,599,000; the expenditure, \$50,581,000; the deficit, \$42,982,000; adding to this the aggregate of the provincial deficits before stated, you find a total deficit of \$47,677,000. Now, how was this met? We come to the surpluses. The receipts from New Brunswick were \$17,106,000; the expenditure, \$16,957,000, leaving a surplus of \$508,000. The receipts from Ontario and Quebec, jointly, were \$149,160,000; the expenditure, \$93,340,000; leaving a surplus of \$55,820,000, thus making, with the New Brunswick surplus, a total

surplus for these three Provinces of Quebec, Ontario and New Brunswick, of \$56,328,000, to be applied to the payment of the deficits before enumerated, amounting in the aggregate to \$47,677,000, leaving, after their payment, a nett balance of \$8,650,000 applicable to the reduction of debt. We find, therefore, that Ontario and Quebec have to provide and have provided for the bulk of this vast undivided expenditure resulting from the Confederation of the various Provinces comprising the Dominion; New Brunswick having supplied towards her share the sum of \$508,000, and Ontario and Quebec, after providing their own share, having provided the share also of all the other Provinces of the otherwise unprovided balances. I have not divided the various items for Ontario and Quebec, which are given jointly in the Public Accounts; but taking a few great heads of Revenue, a general conclusion may be reached. Thus the Excise duties of Ontario amounted to \$26,732,000; those of Quebec to \$13,647,600. The Customs duties for Ontario (allowing those on dutiable goods going into Ontario, though entered at Montreal, according to the results ascertained after exhaustive examination by the Commission which dealt with that subject some years ago), amounted to \$60,725,000. The Customs duties for Quebec amounted, according to the same results, to \$31,357,000. I estimate the division of Bill Stamps to be two-thirds for Ontario, and one-third for Quebec, making \$1,106,000 for the former, and \$552,000 for the latter. The general result on these heads is to give a revenue from Ontario of \$87,954,000, and from Quebec of \$45,556,000. I know that these figures may be disputed in some respects by the people of the Maritime Provinces as to particular items; for example, those which have reference to expenditure on the Intercolonial Railway. I know it is contended, whether rightly or wrongly, that this expenditure should be entered as a general charge against the whole Dominion, and not charged separately against those Provinces. There may be, of course, other disputable details. I state this in order that the House may understand that these figures may be somewhat affected, but I am convinced that the re-

sult will not be very materially altered on that account. It will be seen from these statistics that some of the smaller Provinces, heavy as their contributions are—and I freely admit that several of them are heavier contributors *per capita* than some of the larger Provinces—are yet not adequate contributors to, on the contrary that they are heavy drains on the revenues of Canada; and it will be further seen, that the bulk of the expenditure—I may say every shilling of the expenditure on the North-West and on the Pacific Railway—is contributed by the Province from which I have the honor to come. But apart from the question of the distribution of taxation, I have shown that our gross taxpaying power, as a whole, may be said to have been increased since 1871 by the addition of 560,000 souls, or sixteen per cent. to our population; that is, that if we can, or if we choose, to buy man for man, goods to the same amount in money, as we bought man for man in 1871, our consumption of imported or excisable goods, and consequently our revenue would, under the same rates of taxation, be larger by 16 per cent. This then is the estimated measure of elasticity—not indeed the actual measure, for, as I have said, we are not buying, we cannot afford to buy, on the same scale—and, therefore, it is altogether too favourable a view for us to take. But let us adopt it for a moment; and proceed to enquire at what rate our expenditures have increased during the same time. Sir, the increase in expenditures has been altogether disproportionate to the increase, even on the most favourable view, of our tax-paying power. Our gross expenditures have risen from \$15,600,000, in 1871, to \$24,800,000, in 1879, an increase of \$8,800,000, or nearly 56 per cent. This, indeed, includes the charges on Revenue, which, in some cases, are represented by cross entries; but, on the whole, the charges on Revenue have increased seriously, relatively to the increased receipts. There are, in this branch of the expenditure, large added burdens. For example, in the Post Office, the deficiency, in 1871, was \$203,000; in 1879, it was \$612,000; an increased net charge of nearly 200 per cent. In Public Works, there was, in 1871, a surplus of \$315,000; in 1879, a deficit of \$817,000;

an adverse change of over \$1,000,000. But, leaving out of account all the charges on Revenue, how does the remaining expenditure compare? In 1871, it was \$13,250,000; in 1879, \$18,890,000; an increase of \$5,640,000, or over 42 per cent. Look at some of the items which produce this appalling result. The capital of our net debt stood in 1871, at \$77,700,000; in 1879, it had risen to \$147,480,000. It had almost doubled. It has since increased, so that it is now more than doubled; and still it goes rolling on. Our net annual charge for interest was in 1871, \$4,800,000; in 1879, \$6,660,000; an increase of \$2,360,000, or nearly 55 per cent.; and it still goes rolling on. The increase in the charge for interest has not indeed kept pace with that of capital, for several reasons. We have raised a large sum from our people without interest, in the shape of legal tenders in circulation, and compulsorily held as bank reserves. We have issued several guaranteed loans at very low rates of interest. We have reborrowed to pay off old loans at a much lower rate of interest than the rate they bore; we have borrowed fresh money at better rates; and we have been borrowing at a discount, which, of course, means that we have been capitalising a material part of our charge for interest. But with all those advantages, real and apparent, I believe, our nett annual charge for interest will, by 30th June next, be increased by \$2,700,000, a year, or nearly 63 per cent. The truth is, Sir, that our annual foreign loans are now not much more than enough to pay our interest. Some part of them, indeed, have been of late years devoted in terms to that purpose; we have had yearly deficits, and have been obliged to borrow to pay our interest. But apart from this, the average annual loans to be raised for the next few years for Public Works will be not much greater in amount than our yearly interest payments. Can we go on so borrowing for ever? No, Sir, and the Minister who tells us he can, has yet prudently arranged to avoid an application to the London money market this year; and is about to try his hand at a cheap domestic loan. He is to ask us at home, out of our abundance, to supply him free of interest with the sum

he wants. Passing from the charge for debt, some of the items which comprise the ordinary annual expenditure show startling increases. The Provincial Subsidies have increased 31 per cent.; Civil Government, 34 per cent.; with an enormous further increase in the present Estimates; Administration of Justice, 83 per cent.; Penitentiaries, 46 per cent.; Indian grants, by \$480,000; North-West Police, by \$290,000; in Legislation there has been an enormous increase; with a general result that the ordinary expenditure has increased between 1871 and 1879, by \$2,320,000, or over 50 per cent. In the face of this startling and wholly disproportionate increase of our expenditures over our tax paying power, is it not plain that we have been going too fast? We have been running ahead of our resources. We have increasing our expenses more than three times as fast as our tax-paying power. Our situation is truly critical. We have been imitating, and even surpassing, the extravagance and recklessness of the nations composing the European system. The European nations in the fourteen years from 1864 to 1879, increased their National Debts 65 per cent. in the aggregate; but we have doubled ours in nine years. The budgets of those nations were increased in the last fourteen years 40 per cent.; but we have increased ours 56 per cent. in nine years. It is quite true that our expenditure has been more productive than theirs. We have not been engaged in numerous or frightfully expensive wars. We have expended large sums in improvements more or less productive. But for all that, we have been immoderate in our expenditure, we have acted extravagantly, we have gone beyond our tax-paying power, and we have surpassed the European system in the increase of our annual charge. I say we should not present to intending immigrants such a similarity in financial management to the countries which they are leaving, mainly because of their heavy burdens. We should rather endeavour to present to them a cheering contrast to the European system; and this the more because there is one country, our rival and competitor in the immigration market, which does present a marked contrast to the European system. While Canada is so lavishly in-

creasing her yearly expenditure and National Debt, the United States has presented to the people of Europe the unique example of an enormous reduction in its National Debt, and it is that fact which constitutes one of our greatest difficulties in competing with that country for immigrants. I dare say the hon. gentleman will accuse me of being "unpatriotic," but it is no use blinking the facts. It is not unpatriotic to say what is true.

SIR CHARLES TUPPER: The hon. gentleman mistakes if he thinks I object to his stating the fact that a protectionist nation has succeeded in reducing its debt. I should certainly not make any such objections.

MR. BLAKE: I am not now discussing the general question of Free-trade and Protection. However achieved, these are the results. Nor must it be forgotten that a part of the increase in Europe has been applied to public improvements. Much public money has been expended in the construction of railways there. May not the emigrant, flying from burdens in his own country—flying from an enormous National Debt and annual Budget, say that it is prudent for him to fly to a country which presents a contrast to the one he is leaving, which shows a continually decreasing debt, and which, therefore, promises to lighten the burdens of taxation? We do not present that contrast—the United States do present that contrast. They tell the emigrant that they have reduced their debt by \$630,000,000, their interest by a still larger relative amount, their military expenses enormously, and that they are presenting a prospect of progress in the same direction. Why should we not emulate their plan, by placing, so far as our circumstances permit, this contrast before emigrants, instead of following the example set by the old countries from which we expect them to come? The United States has reduced its National Debt by 30 per cent. of its present amount; and its Budget, though large and extravagant compared to its scale before the war, and embracing many millions for war pensions and interest on war debt, now compares not unfavourably with our own. Before the war the expenditure of the United States, with a population of twenty-seven and one-half millions, showed a charge of \$2 a head.

Of course we pay large sums for provincial services, which do not in the United States form part of the federal charge. It is perfectly true that a comparison would be unfair without a very large reduction on that account, but, making that large reduction, it is equally true that the comparison is not unfavourable after all; that our system has become extravagant and onerous, and has gone beyond the increase of the tax-paying powers of the country; and it is time to call a halt. In this expenditure there is included \$1,272,000 for interest already paid on the Pacific Railway. There will be included \$600,000 a year for future interest on the past expenditure on that Railway, and untold sums for interest on the further expenditure. How have we met all this, while our tax-paying powers have been increasing so slowly? How have we made both ends meet? Partly by fresh loans, and partly by adding to the taxation of the people. The hon. Finance Minister said, the other day, that the difference between the taxes of 1868 and 1879 was a dollar per head, and that the increased taxation thus calculated was four millions of dollars. He gave us the figures by a rough calculation. According to my view, the figures for that period, so calculated, would be \$4,400,000, but I hold that this mode of computation is not a fair way of determining the real addition to the burdens of the people, and that they have been in truth increased to a much larger extent. That mode might be fair on the assumption that the people were consuming relatively the same amount of goods as formerly; but if in fact we are consuming a smaller value per head of goods, while we are paying a larger sum per head of taxes, it is obvious that the added taxation upon that limited consumption, which alone our poverty permits, has risen to a greater amount than \$4,400,000, and and to a larger amount than \$1 a head. Suppose, for example, that our imports for consumption were diminished by one half, while the taxes we paid remained the same as before, it is obvious that the burden of taxation on imports would be doubled. It becomes necessary then to ascertain and compare the rates of taxation of 1871 and 1880. There are three principal heads of taxation—first, Bill

Stamps, to which it is not necessary to refer as the amount is not very large, and there has been no material change in the tax. Taking up the second head, the duties of Excise, I will not trouble the House with any calculations as to malt and malt liquors, because the increased tax has now been taken off. The duty on spirits, estimated on the quantity entered for consumption in 1879, at the rate collected in 1880, would be \$3,650,000; and on the same quantity, at the rate for 1871, \$2,750,000. The increased tax is, therefore, \$900,000, or 33 per cent. of an addition. It may be alleged that the quantity entered for consumption in 1879 was abnormally large, and consequently, that the gross sum of \$900,000 is in excess of the increase on actual consumption. Were this so, it would not, of course, affect the rate of increase which would remain at 33 per cent. But I dispute the allegation, for it will be found that the quantity warehoused in 1879, is far below the corrected average for the nine years from 1871 to 1879, and is almost equal to the uncorrected average for that period. It is, therefore, obviously not an excessive consumption. I admit that the hon. gentleman can hardly expect so great a consumption this year, but, in my opinion, that is largely due to the fact that the tax has been raised beyond the true point of greatest productiveness. The magnitude of the tax has given rise to a great deal of smuggling or illicit distillation, thus interfering with the revenue, though not with the consumption, or with the cost to the people. I hope that the hon. gentleman may be right in attributing some part of the diminution to the prevalence of sounder views, as to the wisdom of abstaining from the use of liquor. But, after all, the test which I have applied, is the only fair one, and this proves that the quantity is not excessive. As to tobacco, the duty on the quantity entered for consumption, in 1879, at the rates for 1880, would be \$1,580,000. At the rates for 1871, \$1,140,000. The increased tax is, therefore, \$440,000, or 39 per cent. of an addition. The consumption is below the corrected average for the nine years, and, of course, far below the uncorrected average. It is, therefore, clear that this represents the minimum addition on this head. The result then is that the

increased excise on spirits and tobacco is \$1,340,000, or over 34 per cent. of an addition. Now I come to the last and greatest head of taxation, the Customs' duties; and I wish to show the House what is the increase in taxation on this head on the whole mass of the imported goods, dutiable and free, which we consume. To ascertain our consumption it is obvious that you must not take the total importations; nor can you, with propriety, take the goods entered for consumption. But by deducting from these the value of foreign grains and the products of foreign grains imported, since these articles are practically only in transitu, and are either exported in specie or set free for exportation an equivalent amount of home grain, you arrive, as nearly as the information given by our returns will allow, at the quantity of imported goods, free and dutiable, which we actually consume. This forms the basis of my calculation. Allowing for the temporary duties imposed in 1870, and taken off in 1871, by a proceeding which came into operation prior to the date of the taxation resolution, the rate of taxation on the imported goods, free and dutiable, which were consumed in the four years from 1867 to 1871 was, upon the average, 13.90 per cent. This, then, I take to be a fair ascertainment of the burden of our Customs taxation in 1871. But I may say that, even if you make no allowance for the temporary duties to which I have referred, the average rate will be raised only to 14.21 per cent., an increase which you will see is not sufficient materially to affect the results. During the subsequent three years (1872, 1873 and 1874), in the course of which there were considerable remissions of taxation, and in which also the very large consumption may have somewhat disturbed the relation between the quantities of free and of dutiable goods, the average rate fell to 12.39 per cent. In 1875, the first completed year after the increase made under the late Government, the rate was 14.32 per cent., a large increase indeed, an increase of nearly one-sixth on the average of the preceding three years, but after all a very trifling increase, an increase of only one-thirty-third, on the average rate between 1868 and 1871. But what is the rate now, as ascertained by the return for the first six

months of the year? It is no less than 19.62 per cent. Nor does this represent the whole extent of the increase. The hon. Minister has told us that his revenue is suffering by reason of the excessive importation of goods in anticipation of the tariff. But the goods so imported were, of course, those of the class on which the largest increases were to be made. Of these, therefore, there has been an excessive supply, and by consequence an abnormal proportion of the importations for the last six months have been of goods paying the lower rates of duty. The over-importations being absorbed, and the imports reverting to their normal condition, these proportions will be changed, and consequently the average rate will be higher for the current six months; and, in the future, the Tariff will be found to inflict a charge considerably exceeding 20 per cent. on everything free or dutiable entered for consumption. But apart from this consideration, and assuming 19.62 per cent. to be the true rate, consider what this means compared with 13.90 per cent., the earlier rate. It means a new tax, a fresh tax, of 5½ per cent. on the value of everything free and dutiable which we import for consumption. It means an increased rate of taxation of over 43 per cent., for 5.72 is more than 43 per cent. on 13.90. Our Customs duties are nearly half as heavy again as they were in the early period. Now, if you apply the new Tariff to our very small consumption for 1879, a consumption many millions smaller than that of 1871, and smaller than any year thereafter, the increased taxation will, on that small consumption, be \$4,075,000, and this, on the incredible assumption that we are not to increase the value of our imports, is the very smallest measure of our added Customs taxation. If to that you add \$1,340,000, the increase in Excise, you find that the additional taxation of this country on the small consumption of 1879 was more than \$5,400,000. This is far greater than the hon. Minister's estimate of \$4,000,000, but it is far less than the burden will be in case the consumption should become normal. It is true that the smallness of the value imported in 1879, is partly due to the comparative cheapness of goods, but we must not for-

get that I have been comparing it with 1871, when values, though higher than in 1879, had not gone nearly to their highest point; and after making every allowance for cheapness there remains a large deficiency to be accounted for only by the consideration that our poverty and our economy have led us to stint ourselves. But prices are rising, and hon. gentlemen say, good times are coming. What would this Tariff produce on a consumption of the average from 1872 to 1875, \$109,000,000? You can easily tell. It is about one-fifth. It would take out of your pockets in Customs nearly \$22,000,000! But let us try to arrive at a normal consumption. You can reach it in two ways. Take the consumption of 1871 and add 16 per cent. to represent the increase of population. This would give you, for 1879, a consumption of \$91,300,000. Or take together the nine years of inflation and depression, ending with 1879, and the uncorrected average would be \$91,000,000, less than the proper estimate, of course, but coming very close to the figure reached by the other mode. Assume, then, that for us, in 1879, \$91,000,000 would be a normal consumption of imported goods, you would pay in Customs \$17,850,000; in Excise of spirits and tobacco, \$5,230,000; in all \$23,080,000. While, at the old rates, you would have paid in Customs \$12,650,000; in Excise, \$3,890,000; in all \$16,540,000, an increased burden on your normal consumption of over \$6,500,000. And this is a fair estimate of the result of the Tariff at the Custom-house and Inland Revenue Office. It is, indeed, quite clear that, with higher prices and good times, the hon. Minister should get a Revenue. When, on an average, one-fifth part of everything we require to import, great or small, cheap or dear, necessary or luxury, raw material or manufactured article, free of dutiable, and two-fifth parts of what we drink and smoke are abstracted by Government for public uses, how in the world can Government fail to realise a Revenue? And yet, if things should so turn out, no doubt we shall find the hon. the Minister coming down next Session boasting of his feat, and endeavouring to persuade the country that he has conferred on it great blessings, when he has in fact

only abstracted from it enormous sums by a raking and grinding Tariff, which is oppressive in its character and vexatious in its operation. But this is not all, Sir, or nearly all. We have been considering hitherto only the amounts that come into the hon. Minister's hands. But the uncounted millions which go into the pockets of the thousands of private tax-gatherers created by this Tariff, partly to unduly swell the legitimate profits of some industries, and the rest to compensate for the misdirected and unprofitable application of capital and labour to other trades; these millions though they are paid by the mass of the consumers, as surely as if they went into the Minister's hands, we are unable to ascertain or take into account. But this we know, that their receipt does not swell the Public Treasury. The people pay them, but the private, not the public tax-gatherer receives them; and so, though the people pay, they receive nothing in return. Sir, we have reached and passed, designedly passed, in many cases, the effective limits of a Revenue Tariff. We have been aiming at different and inconsistent ends. Pursuing revenue through imports, we have been attempting at the same time to check imports, on which our revenue depends, and to substitute for them home manufactures. And certain it is, that unless the hon. gentleman has wholly miscalculated his action, unless he has wholly bungled in the use of the great weapon he has been wielding, he will have stimulated home manufactures in respect of some of the articles of importation most productive of revenue. It is certain that he will have deprived the coffers of the country of the duties to be derived from those articles.

SIR SAMUEL L. TILLEY: As in the United States for instance.

MR. BLAKE: I do not propose, as I have already said, just now to enter into a general discussion of Free-trade and Protection, or to analyse the condition of the United States, or to examine how far they may be able to endure losses and to play tricks with the principles of political economy, which we can by no means afford. I think the distinctions are obvious. Nor do I intend to hazard a conjecture as to which of the two inconsistent objects which the hon. gentleman

has been pursuing he will earliest or most signally succeed in. I say that an effect will be sooner or later produced; and while in case of good crops and high prices there is no doubt the last Customs revenue will next year be increased; there is no doubt, also, that a very large sum will be sooner or later—and I think tolerably soon—diverted from the Custom-house to the pockets of individuals. It is plain, by the admission of the hon. gentleman to the extent of \$4,000,000, and, by the figures I have stated to a much larger amount, that we have greatly increased the burden of our taxation, and that every dollar that we are paying and are to pay for interest on the construction of the Pacific Railway, has come and must come out of this increased taxation, or from further additions to our burdens. It is obvious that you cannot meet in any other way the additional interest for the construction of the Railway; and, therefore, your plan is a deliberate violation of the settled and established policy of Parliament. To our present load we are to add many millions more for that work, and where, save from these odious and oppressive added taxes under which we labour, can you find the interest? Even apart from the Pacific Railway, and further expenditure on it, we are in a critical condition. We are trying one great experiment in trade. We are engaged in a supreme effort to make both ends meet in finance. We have not yet accomplished that feat. The hon. gentleman said a month or six weeks ago that the Revenue for this year would be within half a million of the expenditure. I wonder whether he will say so when he moves the second reading of the Supply Bill? We on this side believe the deficiency will be a great deal more. We are not yet in a state of equilibrium as to receipts and expenditure. We are engaged, I say, in one great experiment. Is one great experiment not enough at a time? Would it not be better not to plunge too deeply into experiments, speculations and conjectures? Would it not be better, as we are engaged in this large financial, commercial and fiscal venture, not to enter into fresh pecuniary engagements of an enormous character, based upon expectations of the vaguest and most fantastic kind? Are we now

finally to subvert the policy of Parliament re-enacted, as I have pointed out four several times, agreed to almost unanimously in 1876, that the arrangements for the construction of this road should be such as not to increase the burdens of taxation? Because, if you agree to the scheme of the Government, and go on now with the construction of the road in British Columbia, you commit yourselves to the construction of that road irrespective of the increased rate of taxation, and of the burdens imposed and to be imposed upon the country. I ask the House not to adopt that ruinous and reckless course; but in preference, to say they will limit themselves at present to the completion of the road between Fort William and Selkirk, and the prosecution of the prairie section, until we see the actual result in point of settlement, development, land sales and, above all, receipts of purchase money; and then, when that result has been ascertained, and a substantial fund has been provided from the sales, a fund available for the purpose of building in British Columbia without continuing to levy the present increased rates of taxation, that they will then, and not till then begin construction in British Columbia. Sir, we must consider the circumstances of this whole Confederation. We must not forget the mode in which it was formed. Hon. gentlemen opposite affirmed, with great warmth, in 1867, and for years afterwards, that it was but a union on paper, and that the reality and permanence of the connection were yet to be established and secured by a careful policy, and by a practical experience on the part of the people of its benefits. A cynic, indeed, has said that, as between Ontario and Quebec, it was rather a divorce than a union; that Nova Scotia was coerced into it, and compensated by damages for the loss of her honour; that New Brunswick was frightened into it, and compensated as well; that Manitoba was forced, and purchased into it, too; and that Prince Edward Island and British Columbia were—shall I say seduced into it? by pledges and promises—some impossible, all extravagant; at any rate by settlements of the most lavish character. But whether this description be true or not, at any rate hon. gentlemen admit that

it was at first a union only on paper. I want to know what has been done to cement it, to make it real and permanent, to make it a union of hearts and interests, to give it vitality and strength? Look at the various Provinces. Almost every one, after all your better terms, is in deep financial difficulties, and is knocking at your doors for further aid. Imitating your extravagance they have outrun their resources, and they have come to look on you as the great tax-gatherers for the Provinces, believing that they may go as far as they please and that Canada must fill the void out of the federal revenues. You have seen the distribution of your revenues and your expenditure. You remember all the promises at the time of union, of low taxes and cheap government. All, all are broken. The vast sums you collect from the smaller Provinces, heavier *per capita* than you collect from old Canada, and a grievous burthen on their people, are yet, as I have shown you, quite inadequate to meet their share of the cost of confederation. Ontario settles the balance. That Province asks no special advantages. She claims no special favours. She is ready to do her part, and more than her part, in the furtherance of the common interest. But she may fairly demand of you a prudent, a just, an economical expenditure of those resources which she contributes, and an abstinence from rash engagements for speculative and unprofitable objects. This indeed is the common interest. It is the interest of the whole. What is the present application of our revenue? Public works and improvements throughout the old Provinces have been, as far as possible, wholly stopped; there is no money for them! Our inland shipping trade, labouring under the greatest depression and the keenest competition, is asking for relief from some of its burdens; there is no money for it! The vast expenditure by which Quebec has strained her resources to accomplish a connection with the great west is largely abortive. Let Quebec learn the prudence of not building railways before they are wanted, and act on the lesson now; there is no money for the eastern link! No, Sir, all that we can raise by taxes or by loans, all that we can beg or borrow, is to be

sunk in the gorges of the Fraser. Should this be so? Are we to tax ourselves to the last point of endurance, and to mortgage heavily our future and our country for such an object as this? If it be true, as your trusted representative, your High Commissioner, said on the 27th March last, that "The duty of opening up the North-West is one we are to perform, not so much for ourselves as for the Empire at large; that the inhabitants of New Brunswick, Nova Scotia and even Ontario, have not much greater direct interest in opening up those wheat fields than the farmers of Yorkshire and Tipperary," if this be true, how much less interest have we in opening up the canons and gorges of British Columbia? If it be true, as your High Commissioner said, on the same occasion, that, "it is impossible for us, with our limited means to undertake alone the settlement of the North-West; that we have neither the people nor the money to do it;" if this be true, how much less are we able to add to that intolerable task the Columbia section of the Railway? Is this indeed the way to develop even such a poor and attenuated national spirit as is attainable by a people who are not permitted, who, perhaps, do not even aspire to their legitimate participation in the management of the concerns of the great family of nations? Is this indeed the way to infuse among us the spirit of unity and brotherly love, to make us one, and a contented people? You may perhaps partly satisfy the 12,000 souls in British Columbia; but only because your action is the pledge and hostage to them for the completion of this gigantic work, to the ruin of the whole. For us, for all, this is not the way. It is not by the forced connection of a restrictive Tariff, compelling each of us to trade with some other of us, to our loss, and against our will; it is not by the fatal load of an enormous debt, crushing out our energies and mortgaging our hopes; it is not by an added weight of taxes, lowering the value of our labours, and lessening the comfort of our lives; it is not by flinging, with a lavish hand, into the mountains and rivers of Columbia all you can collect or borrow, while you starve all public works at home; that you will accomplish a real success, that you will consolidate and harmonise the union. You

are making our load heavier than that of the United States. You are making it heavier than we can bear. You are paying the way to that very annexation which you profess to dread; because you are bringing us to a plight in which we may be forced to do, as a people, what we heard described the other day as the sad end of many an imprudent individual borrower, to sell our poor equity of redemption to the only available purchaser. You profess unbounded faith in the permanence of your restrictive Tariff; you blame us for even discussing its operation, for throwing doubts on its durability; and at the same instant you send a High Commissioner to England, who asks her to close her ports against the grain of the world, in order that your farmers and hers may obtain from her millions of poor a higher price for the staff of life; and, who proposes in return, that you should open your ports to her manufactures, thus destroying your revenue, and at the same time, under the fierce and unchecked competition of the cheapest producers in the world, blasting at once every one of your home industries, which is said to be dependent on a duty for its existence. Such is your recklessness, your inconsistent, your vacillating, your unpractical policy! Do you ask for mine? I will tell it. Set free the springs of legitimate revenue, by removing the obstacles designed to choke them. Open the avenues of legitimate trade, by lowering the legislative bars designed to close them. Free the people, as soon as may

be, from the extortionate taxation by which you oppress them. Return to a moderate revenue tariff, the only practicable plan in our circumstances, and a necessary incident in whose operation is to give some of the so called advantages of protection to some of your native industries. By an earnest and searching plan of economy and retrenchment, directed to every branch of the public service, help to redress the balance between revenue and expenditure, while you lighten the people's burdens. But if you will do none of these things, if you will in all else persist in your mad career, at any rate in this be wise. If, in all else, you be rash, in this at any rate be discreet. Learn that our position is grave and serious, and that our future is dependent on present prudence. Complete the Railway to Red River; go on with the prairie section as fast as settlement demands. For that, risk something; since, as I have said, the die is cast. But in order to succeed in that, in order that you may have a chance later to do more, deal with that alone now. Bend to that great effort your undivided energies, your whole available resources. Postpone, meanwhile, the western work, and do not, by your present action, based on airy dreams and vain imaginations, risk the ruin of your country. Sir, I move, "to leave out all the words after 'that' and insert the following: 'the public interests require that the work of constructing the Pacific Railway in British Columbia should be postponed.'"

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Pacific Railway speech.

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INDUSTRIES

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